BAY COUNTY RETIREMENT BOARD OF TRUSTEES AGENDA TUESDAY, APRIL 14, 2015 @ 1:30 P.M.

COMMISSIONERS CHAMBERS 515 CENTER AVENUE - 4TH FLOOR BAY CITY, MI 48708

PAGE	I.	CALL	TO ORI	DER
	II.	ROLL	CALL	
	III.	MINU	TES	
1 - 18		A.	MARG	CH 10, 2015
	IV.	PUBL	IC INPU	T
	V.	PETIT	TIONS &	COMMUNICATIONS
		A.	INTE	GRITY ASSET MANAGEMENT
			1.	ADAM FRIEDMAN & ANDREA LEISTRA
19 - 21		В.	MON	THLY REPORTS - RES NO. 2015-14
			1.	PORTFOLIO VALUE - 1/1/15 - 03/31/15
22			2.	CHANGE IN BOOK AND MARKET VALUE - 2/28/15
		•	3.	MONEY MANAGERS ON WATCH - (EFFECTIVE DATE) a. NONE
23 - 47			4.	MONEY MANAGER REPORTS
				 a. BAIRD - ENDING 2/28/2015 b. CORNERSTONE - ENDING 2/28/2015 c. EAGLE ASSET MGMT -ENDING 2/28/2015 d. HOTCHKIS & WILEY - ENDING 2/28/2015 e. LOOMIS SAYLES - ENDING 2/28/2015 f. MFS INVESTMENT - ENDING 2/28/2015 g. MFS HERITAGE TRUST - ENDING 2/28/2015 h. MACKAY SHIELDS - ENDING 2/28/2015
			5.	RECAPTURE SERVICES
48 - 54	•			 a. ABEL/NOSER - SUMMARY ENDING 2/28/15 b. CAPIS - SUMMARY ENDING 2/28/15
			6.	NORTHERN TRUST
55 - 60				a. SUMMARY EARNINGS - ENDING 3/31/15
61			7.	REFUNDS/RETIREMENTS ENDING - 3/31/15
62 - 67			8.	BCERS YTD BUDGET REPORT - ENDING 3/31/15
68			9.	APPROVED EXPENSES - 3/31/15

BAY COUNTY RETIREMENT BOARD OF TRUSTEES AGENDA TUESDAY, APRIL 14, 2015 @ 1:30 P.M.

COMMISSIONERS CHAMBERS 515 CENTER AVENUE - 4TH FLOOR BAY CITY, MI 48708

69		C.	CORRESPONDENCE - LOOMIS SAYLES CEO, ROBERT BLANDING, WILL TRANSITION CEO RESPONSIBILITIES TO KEVIN CHARLESTON, PRESIDENT, EFFECTIVE MAY 1 2015.
		D.	CORPORATION COUNSEL
			1. DISABILITY RETIREMENT POLICY
			2. ORDINANCE APPROVAL PROCESS
70 - 72		E.	RECEIVE MEMO AND SUPPLEMENTAL ACTUARIAL ANALYSIS - DEPT WATER & SEWER Res 2015-15 (ACTUARIAL ANALYSIS TO BE PROVIDED AT BOARD MEETING)
73 - 74		F.	APPROVAL PURCHASE OF TRANSCRIPTION EQUIPMENT Res 2015-16
	VI.	ANNO	UNCEMENTS
		A.	SPECIAL MEETING - APRIL 23, 2015 AT 9:00 A.M., COMMISSION CHAMBERS, 515 CENTER AVENUE 4 TH FLOOR, BAY CITY, MI 48708
		B.	NEXT REGULAR MEETING - MAY 12, 2015 AT 1:30 P.M., COMMISSIONERS CHAMBERS, 515 CENTER AVENUE $4^{\rm TH}$ FLOOR, BAY CITY, MI 48708
	VII.	UNFIN	NISHED BUSINESS
	VIII.	NEW I	BUSINESS
	IX.	MISCE	ELLANEOUS BUSINESS
	x	ADIO	IRNMENT

NOTE: In addition to these typed minutes, this board meeting was also taped. These tapes are available for review in the Retirement Office

A meeting of the Board of Trustees was held on March 10, 2015 at 1:30 p.m. in the Commission Chambers, 4th Floor, Bay County Building, 515 Center Avenue, Bay City, Michigan. Roll call taken.

Trustees Present: Chairperson Gray, Mr. Brzezinski, Mr. Coonan, Mr. Morse, Mr. Pett, Mr. Starkweather, and Ms. Goetz.

Trustees Absent: Mr. Gromaski and Mr. Herek.

Also Present:

Consultant: The Bogdahn Group: Howard Pohl

Finance Officer: Crystal Hebert

Retirement Administrator: Rebecca Marsters

Corporation Counsel: Shawna Walraven

Trustee Herek entered the meeting at 1:45 p.m.

The meeting was called to order by Chairman, Steve Gray at 1:31 p.m.

MOTION 19: Moved, supported and carried to excuse Trustee Gromaski and Trustee Herek.

Trustee Brzezinski had a question on the minutes from February 10, 2015. On page 5 of the minutes, Mr. Brzezinski questioned the wording referring to the new investment policy where Mr. Peter Brown stated the new policy would be more subjective and taking out the objectivity. Mr. Brzezinski stated he felt it should be the opposite. Mr. Pohl agreed and thought maybe Mr. Brown misspoke. The tape was checked and it was stated as typed in the February 10, 2015 minutes. Mr. Pohl stated Mr. Brown misspoke. Chairman Gray stated there needed to be a change to reflect that.

MOTION 20: The minutes stand as written; however, this month's minutes to reflect the speaker stated the reverse i.e. the speaker should have stated the following: Included were 17 items where they try to remove the subjectivity and make it more of an objective review of managers as to when to consider replacing them, when to put them on watch etc.

Mr. Gray called for public input. As there was no public input, he moved onto petitions and communications.

RES 2015-10: Moved, supported and carried to adopt resolution 2015-10 to receive the following monthly reports: Portfolio value ending 2/28/15, Change in Book & Market Value 1/31/15, Money Managers on Watch - none; Money Managers Reports: Baird - Ending 12/31/14,

Cornerstone - Ending 1/31/15, Eagle Asset - Ending 1/31/15, Geneva - Ending - 12/31/14, Hotchkis & Wiley - Ending 1/31/15, Loomis Sayles - Ending 1/31/15, MFS Investment - Ending 1/31/15, MFS Heritage Trust - Ending 1/31/15, Mackay Shields - Ending 1/31/15; Recapture Services: Abel/Noser - Ending 1/31/15, CAPIS - Ending 1/31/15; Refunds & Retirements ending 1/31/15; BCERS YTD Budget Report - Ending 1/31/15, and Approved Expenses - ending 1/31/15.

Mr. Pohl stated Mr. Brown had reviewed the Bay County IPS last month and asked the Board to read it and come back to The Bogdahn Group with any questions. Mr. Pohl stated there had not been any questions and stated it was up for approval today.

RES 2015-11: Moved, supported and carried to adopt resolution 2015-11 to approve the new Bay County IPS as presented.

Trustee Brzezinski asked Mr. Pohl, regarding the individual Money Managers, what his thoughts were about not having more than 8% of that investment in any one company. Mr. Brzezinsk thought they were working with 5% and asked if this is a change from what was current.

Mr. Pohl stated he thought that was what it was, a change from the current. He explained that most policy's today are at 8% simply because with a lot of the indices the largest holding is up to roughly that level. He gave an example, if Apple was 8% of the index and you were at 5% or 6% you would basically always be underweight in that stock. Raising it to 8% gives it a little bit more flexibility. Mr. Pohl stated also when you have so many different money managers, the impact of any one manager even at an 8%, once you get everybody else, it is very much diluted then. Trustee Brzezinski stated he was in favor of the 8% stating it is much more specific as to looking at the investment advisors if they are not performing well, it is not automatic just because they don't do well. . .it will create a discussion. Mr. Pohl stated that was the intent.

The next item is the Prudential Real Estate Funding. Mr. Pohl stated they were still on target as to funding at the end of March. The latest is that it will be a relatively low amount compared to the total anticipated, but then most of the rest would be called in June.

Trustee Pett asked Mr. Pohl, with the breakdowns and percentages stated in the resolution if there needed to be another resolution in June or did this take care of it all and would it be done with whatever portion they call in March.

Mr. Pohl stated these numbers in the resolution are for the whole amount. If they only ask for \$1 million, it would be scaled back. They don't want to have to cash just sitting there in the account. If the balance is called in June, then they would take the rest of the money.

RES 2015-12: Moved, supported and carried to adopt resolution 2015-12 approving the Board to raise the required assets by selling equally from the Mackay Shields Convertible Portfolio and the Cornerstone REIT account and that upon favorable review/approval by corporation counsel, the Chairman of the Board is authorized to execute the agreement.

Next on the agenda is Corporation Counsel regarding Municode. Ms. Walraven stated the County Clerk used to maintain the Retirement Ordinance and did until 2011. At that time, she discontinued maintenance and Corporation Counsel received the task. It was updated once during that time in 2012. There are currently 42 pages of the Retirement Ordinance that need to be amended. She believes it is appropriate that this Board would want to maintain an updated, current ordinance for the members and for the other entities involved. This is an expense that Corporation Counsel is asking to be paid for, for this update and then for all updates going forward that it be budgeted for.

Trustee Starkweather asked if the Retirement System was charged by the County Clerk for the maintenance during 2011, 2012, and 2013 when it was not done. Chairman Gray stated they were not. Trustee Starkweather would like to amend the resolution to an amount not to exceed \$1000.

RES 2015-13: Moved, supported and carried to adopt Res 2015-13 the Bay County Employees' Retirement Board approves the expense to have Municode update the Retirement Ordinance and budget for this expense in future Retirement System budgets the amount not to exceed \$1000.

Next item is correspondence rebalance asset allocation. Ms. Hebert stated it was a standard rebalance.

MOTION 21: Moved, supported and carried to receive correspondence from Columbia Management, MFS Investment, MFS Heritage Trust, and Schroders regarding rebalance of asset allocation.

Next item was MAPERS Spring Conference Registration any Trustee wishing to attend should contact Rebecca Marsters.

ANNOUNCEMENTS:

A. Next regularly scheduled meeting will be Tuesday, April 14, 2015 at 1:30 P.M. in Commissioner's Chambers, 515 Center Avenue - 4th Floor, Bay City, MI 48708.

Trustee Coonan asked for Mr. Michaud to give an update regarding the issue the Retirement System was having regarding the purchase of governmental time. Ms. Walraven stated she could speak to the issue and update Mr. Michaud. She stated the issue they have been discussing is the Department of Water and Sewer's amendment where they are proposing a limit for current employees on

the purchase of government service time and elimination of the purchase of government service time for new employees. The issue is that the Department of Water and Sewer feels their fund has been disproportionately impacted by the purchase of government service time from employees who have purchased a large number of years. Ms. Walraven's opinion is that MCL 46.12a(9)(d)limits their ability to determine the amount that can be charged for that time by statute. It only allows the calculation that is currently provided, which is wages x employee contribution + employee contribution x the interest factor + the employer contribution. The difficulty is that in the years where the employer contribution is zero (0), those are exceptionally cheap years for someone to purchase time. Ms. Marsters did a survey of what other counties do and how they charge the purchase of government service time. They found that a large majority limit the number of years, some do not offer it at all and some follow a different valuation method. Ms. Walraven stated the valuation method is the sticking point at this time. Ms. Walraven stated she had talked to Mr. Michaud before the meeting about this valuation, which she feels is limiting this Board's ability to determine a fair cost of the time. Because if it happens to be a 0% year, as we have said, is cheap and then that person is getting a really good deal based on a different year where we have contributed more. Mr. Michaud is of the opinion that it might not be mandatory and that was something that would work on. If there is a way to get around this strict valuation, then they would pursue that. An example would be MERS' actuarial valuation. That might be a way that they could get around this issue and bring back to the Board a different valuation that could be used for the purchase of government service time. Ms. Walraven stated this is Mr. Michaud stated at the something they have been actively working on. discretion of the board he would be happy to continue to work with Ms. Walraven reviewing the provision and see how it integrates with the provisions and collective bargaining agreements. He stated other boards have dealt with purchasing service time and depending on how it is designed clearly drives the cost whether it is actuarial or just a straight percentage of pay. significant differences. Ms. Walraven stated it was an issue that it is a general provision of our ordinance.

Mr. Coonan stated he believed it was the Board's responsibility that they become aware that some practices negatively affect the fund and should address and whether it is the funding that is currently used and eliminate it and go to an actuarial type of funding. He stated with the Department of Water & Sewer, they want to eliminate it for anybody new coming in. Mr. Coonan believes everybody should be able to buy if they want to, but he thinks they should pay the actuarial cost for it so that no one else is subsidizing the purchasing of governmental time.

Mr. Michaud stated he would just need to look at the ordinance, the statute and collective bargaining agreements for that group. Mr. Coonan stated this was for the whole system. Mr. Michaud stated for other units as well and come up with a new direction and he and Ms. Walraven can advise the Board. Trustee asked about the collective bargaining. Ms. Walraven stated she needed to talk to Mr. Michaud about it.

UNFINISHED BUSINESS:

Mr. Pohl asked about the Consent and Acceptance Agreement regarding change in internal control at The Bogdahn Group. He stated the resolution was okay subject to Corporation Counsel review. Ms. Walraven stated she gave it to Ms. Marsters and it is to be signed by the Board today.

Trustee Starkweather asked about payments going into the Retirement System from the nine units and whether they paid monthly or if they paid it all in December. He asked if there was a cash flow program.

Ms. Hebert stated she understands they pay monthly into the Pension System.

Trustee Starkweather stated looking at page 75 of the agenda regarding the budget he stated it shows \$13 million anticipated to be paid into the system and that it does not show on the budget yet. Ms. Hebert referred to page 72 of the agenda and stated it has not been recorded yet for the first quarter. Those are recorded quarterly and it will appear on the April statement. She stated they had talked about eventually recording it monthly; however, it is a lot of information to record on a monthly basis. She stated right now it is a staffing issue where they do not have enough time to report those monthly, but they are there. They are recorded on the ledger on a quarterly basis.

Trustee clarified that they do get money on a monthly basis and it is recorded quarterly onto the county general ledger. Ms. Hebert stated you can see it on the summary reports they have monthly that the contributions came in on the earnings report on page 15.

NEW BUSINESS:

Mr. Michaud was present. He had three different handouts that were given to the Board at the beginning of the meeting.

Chairman Gray stated Mr. Michaud was to speak about disability retirement as that has been an issue in recent months.

Mr. Michaud stated the provisions in the Plan document regarding disability retirement do not go to the level of detail to really give the administrator a road map on what needs to be done. Because disabilities are very sensitive on a couple of different levels, they are also very much subject to review and potential litigation. He stated by having a policy regarding disability retirement, you have a road map and process and you take the individual and put them through the process and you effectively review their case, so to speak, and at that point you can make a determination that will be well considered and supportable in the facts. He stated the policy should standardize the process and forms to get information in a comprehensive and timely fashion. He spoke about confidential information and HIPAA laws regarding medical information. Formalizing the process to make better decisions and help insulate the Pension Board and Trustees from someone claiming a breech of confidential information. He talked about the forms specific to release of information, privacy and gathering all the information that is pertinent and relevant to give to the medical director.

He stated medical director is somebody that is outside the entity that you are going to rely on as a Pension Board to make medical determinations. He spoke in regards to retaining a medical director and that you do not want a medical director that is a doctor that does work for the County, or a doctor that does work for your worker's comp cases. You want somebody that is completely separate, an entity that is independent of the unions, the county, the worker's comp process so that you are able to substantiate that this individual is qualified to make an objective decision. Sometimes the medical director will need to be something that the Board is going to have to retain an entity that has specialists on staff or in their network so that you can delegate a specific alleged injury to the speciality doctor to make sure the reports are comprehensive.

He also spoke about the medical director providing a comprehensive report as well as a form that ultimately makes the decision of whether or not they meet the three requirements and can you check the box that they are permanently disabled, fully incapacitated/permanently disabled and should be retired. You want to make sure you still have your program and your forms so that you are able to document the fact that the doctor made that decision.

Mr. Michaud talked about different types of disabilities and injuries that are not permanent. He also talked about disability re-examination requirements The disability process anticipates that every year for the first five years and once every three years thereafter until they otherwise hit their normal retirement age, that the reexamination provisions would be implemented. Even though somebody goes on disability retirement, it should be anticipated and understood that they will be re-examined to make sure they continue to be disabled.

The other final notes are the coordination of disability retirees and potential worker's comp benefits. There is a sense that those two benefits while they parallel each other, they are different processes, but they need to be coordinated in terms of offset in costs. If they are receiving money from worker's comp and disability pension benefit, there may need to be some offset so that someone is not receiving two checks for the same injury. That does require an integration of systems with worker's comp. Namely, if someone settles a worker's comp and gets a lump sum payment, there needs to be an understanding how that works with the disability retirements.

Finally, there is a certification of earnings form which is a form sent to an individual on disability that they report having any outside employment. Sending out the annual certifications is another way to insulate a pension board from making sure that those individuals on disability retirement are truly disabled and those that are not do not get the benefit.

Trustee Coonan asked if this policy is going to be something that is not going to reduce somebody who is legitimately disabled and if they were going to be able to go through this in a reasonable period of time. He did not want to limit anybody who is truly disabled.

Mr. Michaud stated this is intended to make this a more efficient, quicker process. Generally disability retirements take anywhere from at the earliest

30-90 days. We want to put a process in place that is consistent with your ordinance provisions. Sometimes an ordinance provision will be maybe a paragraph long, but it does not go through the level of detail of who they need to talk to, where the medical director is. Those are the pieces that we try to lay out in greater detail in the policy with the thought that this is going to better serve your disabled members to give them the disability retirement that they are entitled to in a quicker more efficient way.

Chairman Gray suggested a four-person subcommittee to work on this issue and report back in August or September. He suggested a subcommittee of himself, two County Commissioners and two other members as well as Ms. Walraven's input.

Trustee Herek asked if it wouldn't be better to have the Board study this for a month bring back Mr. Michaud to answer questions rather than a subcommittee of four people. He felt there might be some other questions that if they are answered in a broader form it could almost save time. Chairman Gray stated he was open to that.

Trustee Brzezinski stated he agreed with Mr. Herek. He doesn't think they are that large of a group for a subcommittee.

Trustee Coonan asked if they were comparing it not to a policy that the Board has but something that is in the ordinance.

Ms. Walraven stated there is a provision in the ordinance. A policy would be much more elaborate than the few sentences that are in the ordinance. It would be an expansion of the concept.

Chairman Gray stated part of the reason for this policy is there was a situation where a disability retirement was approved a couple of months ago. The office and the three road commissioners never really had official notification that this person had put in for a disability retirement. He stated that one question is whether or not legally the Board could notify the person's employer/group that they are applying for disability retirement. There is the question of using our medical examiner like we always have or do we get an outside doctor. There are a lot of questions. He stated he was not advocating that it had not been done it correctly to this point, but thought it deserved to be looked over and make sure it was being done right.

Ms. Walraven stated that the medical director is on the RFP schedule to be reviewed so if we do have suggestions, that is something we can address through the RFP process as well.

MOTION 22: Moved, supported and carried to receive the Disability Retirement Policy Information and have the Board study the information and bring back questions for Mr. Michaud in a month.

The next item is Public Act 563. Mr. Michaud stated a Freedom of Information Act Policy was adopted. The law has since changed and there have been some significant changes to the Freedom of Information Act. Mr. Michaud put a

brief note together with the attached law that now will be effective July 1, 2015. He highlighted some of the changes regarding limiting the cost that can be passed on to an individual requesting the information, providing the information quicker and that more things will need to be done electronically. He stated they are requiring you to do more work, faster, and at more expense There are time frames in terms of when you need to respond. fail to respond within a 5-10 day period, there are waivers of costs, but more significantly there are penalties, thousands of dollars in penalties. are penalties that are probably in the neighborhood of felony levels and \$7500 is the penalty for failure to comply. That is something quite extreme. is some review of your FOIA policy that is going to need to take place to implement and to request some of the changes. There are also going to be some mechanisms that you put on your web-based system or web page for responding to requests and putting more information online. You are going to need to develop specific forms and expense procedures so when somebody is asking for information, they have a dedicated form to ask for the information and then there is an understanding of what the charges will be. Then you, as a Pension Board, and your administration are going to need to understand the limits in terms of what costs can be shared and what costs cannot be shared to the individuals requesting the information. He gave an example of copying costs and if Kinko's charges \$0.10 a copy you cannot charge \$0.25 a copy.

Trustee Starkweather asked if this impacts the local clerks around the country that like to charge him \$2.00 for a copy of a deed. Mr. Michaud stated it does.

Trustee Coonan stated making a copy is just one aspect of cost. They still have to charge their time for whatever inquiries. Mr. Michaud stated there were costs that you could pass along but it has to be the lowest paid person capable and then there are some additional charges that you can pass along like outside review. You can potentially pass those costs along. There are some outside copying charges and outside review charges to compile the information. Trustee stated the individual filing FOIA is going to have to deal with still a lot of costs associated with whoever is retrieving the information and that cost will be passed on to the individual.

The next item for discussion was eliqible rollover distributions. Mr. Michaud stated that the Internal Revenue Code had a very technical change in the rollover rules. The lump sum distributions that you receive as a retiree or maybe some separate employment that has contributions withdrawn - there are some options in terms of what you can do with that money. The notice that you need to hand out is called a 402 notice. That is the Internal Revenue Code section dealing with the distribution rules. With the 402 notice, there has been a technical change that allows people to transfer not for after tax contributions and taxable contributions so you can divide those and put those into separate accounts whereas before you needed to maintain the pro rata If you wanted to split them up into two separate accounts, you could not divvy up the non-tax and taxable portion. It has to stay in that same proportion. Now you can segregate those different assets in terms of the taxability and put them in two different accounts. We have to update your form and at some point I would suggest that the Board adopt the updated form. He stated the Retirement System is not in a position to give any tax advice or

would meet that requirement.

There were no questions.

MOTION 23: Moved, supported and carried to have Ms. Walraven of Corporation Counsel, work with Mr. Michaud, if necessary, to prepare a new distribution notice form that would be compliant with the Internal Revenue Code Section 402 and the IRS Notice 2014-54 for the Board to adopt next month.

MISCELLANEOUS BUSINESS

Mr. Pohl stated Peter Brown said to say hi. He had surgery on his knee that went well.

Chairman Gray thanked Trustee Coonan for Chairing the meeting last month.

ADJOURNMENT:

MOTION 24: Moved, supported and carried to adjourn the meeting at 2:27 p.m.

Respectfully submitted,

Crystal Hebert

Finance Officer/Secretary

Transcribed by: Tracy Cederquist

BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM

Investment Policy

I. PURPOSE OF INVESTMENT POLICY

The Bay County Employees Retirement System Board of Trustees ("Board") maintains that an important determinant of future investment returns is the expression and periodic review of the Bay County Employees' Retirement System ("Plan") investment objectives. To that end, the Board has adopted this Investment Policy and directs that it apply to all assets under their control.

In fulfilling their fiduciary responsibility, the Board recognizes that the Plan is an essential vehicle for providing income benefits to retired participants or their beneficiaries. The Board also recognizes that the obligations of the Plan are long-term and that investment policy should be made with a view toward performance and return over a number of years. The general investment objective is to obtain a reasonable total rate of return - defined as interest and dividend income plus realized and unrealized capital gains or losses - commensurate with the Prudent Investor Rule and any other applicable ordinances and statutes.

Reasonable consistency of return and protection of assets against the inroads of inflation are paramount. However, interest rate fluctuations and volatility of securities markets make it necessary to judge results within the context of several years rather than over short periods of five years or less.

The Board will employ investment professionals to oversee and invest the assets of the Plan. Within the parameters allowed in this document and their agreements with the Board, the investment management professionals shall have investment discretion over their mandates, including security selection, sector weightings and investment style.

The Board, in performing their investment duties, shall comply with the fiduciary standards set forth in Employee Retirement Income Security Act of 1974 (ERISA) at 29 U.S.C. s. 1104(a) (1) (A) - (C). In case of conflict with other provisions of law authorizing investments, the investment and fiduciary standards set forth in this section shall prevail.

Adopted By The Bay County Employees' Retirement System Board of Trustees: March 10, 2015

II. TARGET ALLOCATIONS

In order to provide for a diversified portfolio, the Board has engaged investment professional(s) to manage and administer the fund. The Investment Managers are responsible for the assets and allocation of their mandate only and may be provided an addendum to this policy with their specific performance objectives and investment criteria. The Board has established the following asset allocation targets for the total fund:

Asset Class*	Target	Range	Benchmark Index
Domestic Equity	48%	38% - 58%	S&P 500, Russell Mid
· ·			Cap, Russell 2000
International Equity	20%	10% - 20%	MSCI EAFE Index Net
Broad Market Fixed Income	21%	10% - 40%	Barclays Aggregate
Real Estate**	7%	0% - 10%	NCREIF ODCE / FTSE
			NAREIT
Alternatives**	4%	0% - 20%	BOAML IG Convertibles
Cash**	0%	0% - 5%	90-Day T-Bills

^{*} Please see Appendix A for a detail break-down of the Asset Classes and underlying strategies.

The Investment Consultant will monitor the aggregate asset allocation of the portfolio as detailed in **Appendix A**, and notify the Board of Trustees to rebalance to the target asset allocations based on market conditions. If at the end of any calendar quarter, the allocation of an asset class falls outside of its allowable range, barring extenuating circumstances such as pending cash flows or allocation levels viewed as temporary, the asset allocation will be rebalanced into the allowable range. To the extent possible, contributions and withdrawals from the portfolio will be executed in a manner to maintain allocations within policy ranges while minimizing transaction costs. The Board does not intend to exercise short-term changes to the target allocation.

III. INVESTMENT PERFORMANCE OBJECTIVES

The following performance measures will be used as objective criteria for evaluating the effectiveness of the Investment Managers:

A. Total Portfolio Performance

The performance of the total portfolio will be measured for rolling three (3) and five (5) year periods. The performance of the total portfolio will be compared to the return of the policy indexes comprised of 31% S&P 500, 12% Russell Midcap, 5% Russell 2000, 20% MSCI EAFE Net, 21% Barclays Aggregate, 5% NCREIF ODCE, 2% FTSE Equity REIT, and 4% BOAML IG Convertibles and 0% 90-Day T-Bill.

1. On a relative basis, it is expected that the total portfolio performance will rank above the median of the appropriate peer universe over three (3) and five (5) year time periods.

^{**} Benchmark will default to "broad market fixed income" if these portfolios are not funded. Targets and ranges above are based on market value of total Plan assets.

2. On an absolute basis, the objective is that the return of the total portfolio will equal or exceed the actuarial earnings assumption 7.5%, and provide inflation protection by meeting Consumer Price Index plus 3%. This absolute return objective will be evaluated in the context of the prevailing market conditions.

B. Equity Performance

The combined equity portion of the portfolio, defined as domestic and international common stocks is expected to perform at a rate at least equal to 45.6% (31%/68%) of the S&P 500 Index, 17.6% of the Russell Mid Cap Index, 7.4% of the Russell 2000 Index, and 29.4% of the MSCI- EAFE Index as well as above the median of combined equity fund performance over three (3) and five (5) year time periods. Similarly, the combined domestic equity and combined international equity portions of the portfolio shall each perform at least equal to their respective index target as well as above the median of combined domestic or international equity fund performance over three (3) and five (5) year time periods. Individual components of the equity portfolio will be compared to the specific benchmarks defined in each Investment Manager addendum. All portfolios are expected to rank above the median of the appropriate peer universe over three (3) and five (5) year time periods.

C. Fixed Income Performance

The overall objective of the fixed income portion of the portfolio is to add stability and liquidity to the total portfolio. The combined fixed income portion of the portfolio is expected to perform at a rate at least equal to the Barclays Capital U.S. Aggregate Bond Index as well as above the median of combined fixed income fund performance over three (3) and five (5) year time periods. All portfolios are expected to rank above the median of the appropriate peer universe over three (3) and five (5) year time periods.

D. Real Estate Performance

The overall objective of the real estate portion of the portfolio is to add diversification and another stable income stream to the total fund. The real estate portion of the portfolio, defined as core, open ended private real estate, is expected to perform similarly to the NCREIF ODCE Index as well as above the median of the real estate fund performance over the (3) and five (5) year time periods.

E. Real Estate Investment Trust ("REIT") Performance

The overall objective of the REIT portion of the portfolio is to add diversification and another stable income stream to the total fund. The REIT portion of the portfolio, defined as publicly traded real estate investment trusts, is expected to perform above to FTSE NAREIT Equity REIT Index as well as above the median of the REIT fund performance over the (3) and five (5) year time periods.

F. Alternative and Other Asset Performance

The overall objective of the alternative and/or "other asset" portion of the portfolio, if utilized, is to reduce the overall volatility of the portfolio and/or enhance returns. This

portion of the portfolio will be measured against an appropriate benchmark, which will be outlined in the Investment Manager addendum at the time of investment.

IV. INVESTMENT GUIDELINES

A. Overall

All investment guidelines and restrictions of the State of Michigan are incorporated by reference, including, but not limited to:

- a. Michigan Public Act 314 of 1965, as amended; and
- b. Bay County Employees' Retirement System Ordinance.

B. Pooled Funds

Investments made by the Plan may include pooled funds. For purposes of this policy pooled funds may include, but are not limited to, mutual funds, commingled funds, exchange-traded funds, limited partnerships and limited liability corporations. Pooled funds may be governed by separate documents which may include investments not expressly permitted in this IPS. In the event of investment by the Retirement System into a pooled fund, the Retirement System will adopt the prospectus or governing policy of that fund.

C. Alternative Investments

The Retirement System may invest in investments that would otherwise not be qualified under these Investment policies, to the extent permitted under MCL Section 38.1140d (informally referred to as the "basket clause").

D. Collective Investment Restrictions and Correcting Excess Investments

All investment managers and investment consultants are restricted individually, and collectively, by this IPS. The investment managers shall coordinate monthly with the investment consultant, who shall (among other things) assure collective compliance with this IPS. In the event any investment based on changes in the market value of the Retirement System assets, causes the Retirement System to exceed any limitation prescribed in this IPS, the assets may be reallocated by the Board of Trustees in a prudent manner to comply with PA 314 of 1965 and this Investment Policy.

E. Guidelines for Equity Investments

- 1. Not more than 70% of the Retirement System's assets in global stock as defined as in §12(b)(4)(b) of PA 314 of 1965.
 - 2. The Retirement System shall not invest more than 5% of their total assets in any one corporation.

F. Guidelines for Fixed Income Investments and Cash Equivalent

Specific guidelines will be outlined for separate account managers in their addendums. For mutual funds and collective trusts guidelines will be outlined in their prospectus or offering document.

V. COMMUNICATIONS

- A. On a monthly basis, the Custodian shall supply an accounting statement that will include a summary of all receipts and disbursements and the cost and the market value of all assets.
- B. On a quarterly basis, the Investment Managers shall provide a written report affirming compliance with the security restrictions of Section IV (as well as any provisions outlined in the Investment Manager's addendum). In addition, the Investment Managers shall deliver a report each quarter detailing the Plan's performance, forecast of the market and economy, portfolio analysis and current assets of the Plan. Written reports shall be delivered to the Board within 30 days of the end of the quarter. A copy of the written report shall be submitted to the person designated by the County, and shall be available for public inspection. The Investment Managers will provide immediate written and telephone notice to the Board of any significant market related or non-market related event, specifically including, but not limited to, any deviation from the standards set forth in Section IV or their Investment Manager addendum.
- C. If an Investment Manager owns investments that complied with section IV at the time of purchase, which subsequently exceed the applicable limit or do not satisfy the applicable investment standard, such excess or noncompliant investments may be continued until it is economically feasible to dispose of such investment in accordance with the prudent person standard of care, but no additional investment may be made unless authorized by law or ordinance. In addition, an action plan outlining the investment 'hold or sell' strategy shall be provided to the Board immediately.
- D. The Investment Consultant shall evaluate and report on a quarterly basis the rate of return and relative performance of the Plan on a gross and net of fee basis.
- E. The Board will meet periodically to review the Investment Consultant's performance report. The Board will meet with the Investment Managers and appropriate outside consultants to discuss performance results, economic outlook, investment strategy and tactics and other pertinent matters affecting the Plan on a periodic basis as prescribed by the Due Diligence Policy.
- F. At least annually, the Board shall provide the Investment Managers with projected disbursement needs of the Plan so that the investment portfolio can be structured in such a manner as to provide sufficient liquidity to pay obligations as they come due. To this end the Investment Managers should, to the extent possible, attempt to match investment maturities or investment programs with known cash needs and anticipated cash-flow requirements.

VI. COMPLIANCE

- A. It is the direction of the Board that the Plan assets are held by a third party Custodian, and that all securities purchased by, and all collateral obtained by the Plan shall be properly designated as Plan assets. No withdrawal of assets, in whole or in part, shall be made from safekeeping except by authorized signers of the Board.
- B. At the direction of the Board, operations of the Plan shall be reviewed by independent certified public accountants as part of any financial audit periodically required. Compliance with the Board's internal controls shall be verified. These controls have been designed to prevent losses of assets that might arise from fraud, error, or misrepresentation by third parties or imprudent actions by the Board or employees of the Plan sponsor, to the extent possible.
- C. The proxy votes must be exercised for the exclusive benefit of the participants of the Plan. Each Investment Manager shall provide the Board with a copy of their proxy voting policy for approval and shall vote all proxies associated with their portfolios. On a regular basis, at least annually, each manager shall report a record of their proxy vote. Additionally, any other proxy votes required for plan assets, such as commingled funds, collective trusts or mutual funds or other routine matters, shall be voted upon by the Finance Officer and/or the Board of Trustees. In the event there are non-routine matters or items that raise questions, those items shall be referred to the Investment Consultant for review and who shall recommend a vote to the Finance Officer.

VII. CRITERIA FOR INVESTMENT MANAGER REVIEW

The Board wishes to adopt standards by which judgments of the ongoing performance of an Investment Manager may be made. If, at any time, any three (3) of the following is breached, the Investment Manager may be warned of the Board's serious concern for the Plan's continued safety and performance. If any five (5) of these are violated the Investment Consultant may recommend an Investment Manager evaluation for that mandate.

- Four (4) consecutive quarters of relative under-performance versus the benchmark.
- Three (3) year trailing return below the median within the appropriate peer group and under performance versus the benchmark.
- Five (5) year trailing return below the median and under performance versus the benchmark.
- Three (3) year downside return greater than the index (greater than 100), as measured by down market capture ratio.
- Five (5) year downside return greater than the index (greater than 100), as measured by down market capture ratio.
- Style consistency or purity drift from the mandate.
- Management turnover in portfolio team or senior management.
- Investment process change, including varying the index or benchmark.

Failure to adhere to the Investment Policy, Investment Manager Addendum or other compliance issues.

Investigation of the firm by the Securities and Exchange Commission (SEC) or other regulatory agency.

Significant asset flows into or out of the company or strategy.

Merger or sale of firm.

Fee increases outside of the competitive range.

Servicing issues - key personnel stop servicing the account without proper notification.

Failure to attain a 60% vote of confidence by the Board.

Nothing in this section shall limit or diminish the Board's right to terminate the Investment Manager at any time for any reason.

VIII. APPLICABLE COUNTY ORDINANCES

If at any time this document is found to be in conflict with the County Ordinances or applicable Michigan Statutes, the Ordinances and Statutes shall prevail.

REVIEW AND AMENDMENTS IX.

It is the Board's intention to review this document at least annually subsequent to the actuarial report and to amend this statement to reflect any changes in philosophy, objectives, or guidelines. In this regard, the Investment Manager's interest in consistency in these matters is recognized and will be taken into account when changes are being considered. If, at any time, the Investment Manager feels that the specific objectives defined herein cannot be met, or the guidelines constrict performance, the Board should be notified in writing. By initialing and continuing acceptance of this Investment Policy, the Investment Managers concur with the provisions of this document. By signing this document, the Chairman attests that this policy has been recommended by the Investment Consultant, reviewed by the Plan's legal counsel for compliance with applicable law, and approved by the Board.

BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM

16

Page 7

MEETING OF THE **BCERS** BOARD OF TRUSTEES COMMITTEE MARCH 10, 2015

IN THE BOARD OF COMMISSIONER'S CHAMBERS, LOCATED AT 515 CENTER AVENUE, $\mathbf{4}^{TH}$ FLOOR, BAY CITY, MI 48708

MEETING CALLED TO ORDER BY: CHAIRPERSON STEVE GRAY AT 1:30 P.M.

Trustee Herek entered meeting ag 1:45

MOTIONS

TRUSTEE	19	20	21	22	23	24		1
BRZEZINSKI	М	М	s	Y	Y	Y		
COONAN	Υ	Y	Y	Y	Y	Y		
GRAY	Y	Y	Y	Υ	Υ	Y		
GROMASKI	E	E	E	E	Ę	E		
HEREK	Ε	E	E	М	S	М		<u></u>
MORSE	s	S	Υ	Y	Υ	s		
PETT	Y	Y	М	S	Υ	Υ		
STARKWEATHER	Υ	Y	Υ	Υ	М	Y		
GOETZ	Υ	Υ	Y	Υ	Υ	Υ		

CODE: M - MOVED; S - SUPPORTED; Y-YEA; N-NAY; A-ABSENT; E-EXCUSED

MEETING OF THE **BCERS** BOARD OF TRUSTEES COMMITTEE MARCH 10, 2015

IN THE BOARD OF COMMISSIONER'S CHAMBERS, LOCATED AT 515 CENTER AVENUE, 4^{TH} FLOOR, BAY CITY, MI 48708

MEETING CALLED TO ORDER BY: CHAIRPERSON STEVE GRAY 1:30 P.M.

Trustee Herek entered the meeting at 1:45

RESOLUTIONS

TRUSTEE	10	11	12	13			
BRZEZINSKI	Y	М	s	Υ			
COONAN	Υ	Υ	М	М			
GRAY	Υ	Y	Y	Υ			
GROMASKI	E	E	E	Е			
HEREK	E	E	E	E			
MORSE	Υ	Υ	Υ	S			
PETT	М	Y	Y	Υ			
STARKWEATHER	s	S	Υ	Υ			
GOETZ	Υ	Υ	Y	Y			

CODE: M - MOVED; S - SUPPORTED; Y-YEA; N-NAY; A-ABSENT; E-EXCUSED

BAY COUNTY RETIREMENT BOARD 4/14/2015 RESOLUTION

1. PORTFOLIO VALUE - 1/1/15 - 3/31/15 2. CHANGE IN BOOK AND MARKET VALUE - 2/28/15 3. MONEY MANAGERS ON WATCH - NONE 4. MONEY MANAGER REPORTS a. BAIRD - ENDING 2/28/15 b. CORNERSTONE - ENDING 2/28/15 c. EAGLE ASSET MGMT - ENDING 2/28/15 d. HOTCHKIS & WILEY - ENDING 2/28/15	: :		
 CHANGE IN BOOK AND MARKET VALUE - 2/28/15 MONEY MANAGERS ON WATCH - NONE MONEY MANAGER REPORTS BAIRD - ENDING 2/28/15 CORNERSTONE - ENDING 2/28/15 EAGLE ASSET MGMT - ENDING 2/28/15 HOTCHKIS & WILEY - ENDING 2/28/15 			
 MONEY MANAGERS ON WATCH - NONE MONEY MANAGER REPORTS BAIRD - ENDING 2/28/15 CORNERSTONE - ENDING 2/28/15 EAGLE ASSET MGMT - ENDING 2/28/15 HOTCHKIS & WILEY - ENDING 2/28/15 			
 4. MONEY MANAGER REPORTS a. BAIRD - ENDING 2/28/15 b. CORNERSTONE - ENDING 2/28/15 c. EAGLE ASSET MGMT - ENDING 2/28/15 d. HOTCHKIS & WILEY - ENDING 2/28/15 			
 a. BAIRD - ENDING 2/28/15 b. CORNERSTONE - ENDING 2/28/15 c. EAGLE ASSET MGMT - ENDING 2/28/15 d. HOTCHKIS & WILEY - ENDING 2/28/15 			
 b. CORNERSTONE - ENDING 2/28/15 c. EAGLE ASSET MGMT - ENDING 2/28/15 d. HOTCHKIS & WILEY - ENDING 2/28/15 			
c. EAGLE ASSET MGMT - ENDING 2/28/15d. HOTCHKIS & WILEY - ENDING 2/28/15			
d. HOTCHKIS & WILEY - ENDING 2/28/15			
T A A S ETA A L TER TO A TO TO TO A MA MA A MA MA A MA MA A MA			
e. LOOMIS SAYLES - ENDING 2/28/2015			
f. MFS INVESTMENT - ENDING 2/28/15			
g. MFS HERITAGE TRUST - ENDING 2/28/15			
h. MACKAY SHIELDS - ENDING 2/28/15			
5. RECAPTURE SERVICES			
 a. ABEL/NOSER - SUMMARY ENDING 2/28/15 b. CAPIS - SUMMARY ENDING 2/28/15 			
b. CAPIS - SUMMARY ENDING 2/28/15 6. NORTHERN TRUST SUMMARY EARNINGS - 2/28/15			
7. REFUNDS/RETIREMENTS -ENDING 3/31/15			
8. BCERS YTD BUDGET REPORT - ENDING 3/31/15			
9. APPROVED EXPENSES - 3/31/15			
STEVE GRAY, CHAIR			
AND BOARD			
MONTHLY REPORTS APRIL			
MOVED BY TRUSTEE			
SUPPORTED BY TRUSTEE			
TRUSTEE Y N E TRUSTEE Y N E TRUSTEE	Y	N	Е
Steve Gray Matthew Pett Thomas Herek			
Richard Brzezinski Jon Morse Richard Gromaski	i		
Kim Coonan Thomas Starkweather Kristal Goetz			
Vote Totals:			
Roll Call: Yeas Nays Excused			
Voice: Yeas Nays Excused			
Disposition: Adopted Defeated Withdrawn Amended Corrected Referred			

	C
	Ź
-	2
	ź
i	<u>''</u>
	5
	Z
	2
	ć
	ξ
	<u></u>
	Š
	֚֚֚֚֚֡֝֟֝֟֝֟֝֟֝֟֝֟֝֟֝֟֝
	2
	Š
	ç
	Š
	ö

2014 YTD	1ST QTR 2ND QTR 3RD QTR 4TH QTR	2015	DEC	NO/	007	SEPT	AUG	AJULY	CUNE	MAY	APRIL	MARCH	FEB	JAN	VENDOR .	RET. 2015
0.00		BAIRD										25,849,611.06	25,698,772.32	25,954,494.81	53541	BAIRD
0.00		BARINGS										17,625.39	18,293.74	18,548.92	1500	BARINGS
0.00		CORNERSTONE										14,781,781.56	14,500,330.44	14,830,255.11	ţ	CORNERSTONE
0.00		DENVER										0.11	0.11	0.11	20024	DENVER
0.00		EAGLE										10,435,015.36	10.308,479.56	8,746,990,22	2980	EAGLE (RJEN)
0.00		GENEVA										10,435,015.36 24,485,880.35	24,218,314.77	22,736,052.32	4290	GENEVA
0.00		MITEX HOLCHKIS &										11,236,212.23	11,215,546,48	10,466,425.37	22452	MILEY
0.00		LOOMIS										36,689,691,43	35,589,858.38	36,773,554.50	22122	SAYLES
24,091.18	24,091.18	MACKAY SHIELOS										18,916,352.84 32,780,556.90	24,426,781.07 33,165,871.83	19,088,857.01 46,475,341.50	25627	MACKAY
0.00		MES										32,780,556.90		46,475,341.50	4020	MFS
0.00		MES INT'L										25,595,791,38 22,555,526.97	24,740,538.82 22,445,787.78	15,278,006.70 21,347,500,05	2563270	MES INTER-
0.00		INTEGRITY										22,555,526.97		21,347,500,05	20100	INTEGRITY
0.00		SCHRODES										26,587,122.19 31,178,272.37 30,369,218.58	26,406,553.80 31,837,449.56 30,858,317.96	17,388,557.17	05337	SCHRODER
0.00	Address of the second of the s	COLUMBIA										31,178,272.37	31,837,449.56	17,388,557.17 44,653,307.62 14,648,350.99	44907	COLUMBIA VANGUARD
		VANGUARD										30,369,218,58	30,858,317.96	14,648,350.99		VANGUARD
0.00		PRISA										585,897.00				PRISA
	2,818,673.90 0.00	CASH										2,232,776.79	3,437,191,54	4,580,099.44		CASH
	2,842,765,08 0,00 0,00 0,00	TOTAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,232,776.79 314,297,332.51	318,869,088.16	304,086,341.84		TOTAL

ı	5
	ij
ŀ	≌
ł	폵
l	z
١	2
١	≥
1	S
١	ଦ୍ର
١	ÿ
١	'n
١	'n
١	b
١	졌
ŀ	Ü
ŀ	≧
ı	0
ł	亵
١	Ž
١	:
١	옆
١	7
١	<u>\$</u>
١	•
ı	80
	₫
١	=
١	7
١	ĕ
	88
1	9
	Ē
	é
	Š
	NVESTMENT MANAGER FEES ARE PAID FROM: 73127400 - 80100 (Protessional Services

SCHRODER SCHRODER WENTWORTH	LOOMIS SAYLES MACKAY SHIELDS	GENEVA HOTCHKIS & WILEY INTEGRITY	COLUMBIA CORNERSTONE REAL ESTATE EAGLE	BAIRD BARING
INTERNATIONAL SMALLMID CAP EQUITY MANAGER LARGE CAP CORE MANAGER	CORPORATE BOND MANAGER CONVERTIBLE BOND MANAGER LAPCE CAP GROWTH FOLITY MANAGER	MID-CAP GROWTH MANAGER SMALL CAP VALUE MANAGER MID-CAP VALUE MANAGER	LARGE CAP DEEP VALUE MANAGER REAL ESTATE INVESTMENT TRUST MANAGER SMALL-CAP GROWTH MANAGER	GOVERNMENTAL FIXED INCOME MANAGER LARGE CAP GROWTH INTERNATIONAL EQUITY MANAGER

INVESTMENT MANAGER FEE SCHEDULES

WENTWORTH	SCHRODER	MFS	MACKAY SHIELDS	LOOMIS SAYLES	INTEGRITY	HOTCHKIS & WILEY	GENEVA	EAGLE	CORNERSTONE	COLUMBIA	BARING	BAIRD
.80%-FIRST \$2 MILLION .60%-NEXT \$6 MILLION .50%-NEXT \$10 MILLION .40%-NEXT \$10 MILLION .30%-OVER \$30 MILLION	.75% - UP TO \$10 MILLION .50% - UP TO \$100 MILLION	.60% - ON FIRST \$50 MILLION	.50% - UP TO \$100 MILLION .40% - ABOVE \$100 MILLION	.35% - FIRST \$20 MILLION .25% - NEXT \$80 MILLION .20% - OVER \$100 MILLION	.85% - FIRST \$15 MILLION .75% - NEXT \$25 MILLION	1.00% -ON ASSETS UNDER MANAGEMENT	.75% - ON ASSETS UNDER MANAGEMENT	.85% - ON ASSETS UNDER MANAGEMENT	.60% - OF THE FAIR MARKET VALUE OF ASSETS	.50% - FIRST \$40 MILLION .40% - NEXT \$60 MILLION	.95% -ON ASSETS UNDER MANAGEMENT	.30% - FIRST \$25 MILLION .25% - NEXT \$25 MILLION .20% - NEXT 50 MILLION .15% - THEREAFTER

Change in Book and Market Value

	Cost	Market value	For more information
Opening balance	247,699,556.48	304,216,003.89	
Miscellaneous Cash Receipts	168.51	168.51	See funding & disbursement summary
Participant Contributions	76,257.56	76,257.56	See funding & disbursement summary
Sponsor Contributions	176,145.72	176,145.72	See funding & disbursement summary
Interportfolio Transfers In	32,441,000.00	32,441,000.00	See funding & disbursement summary
Benefit Payment Redeposits	1,865.38	1,865.38	See funding & disbursement summary
Total receipts	32,695,437.17	32,695,437.17	See funding & disbursement summary
Interportfolio Transfers Out	- 32,441,000.00	- 32,441,000.00	See funding & disbursement summary
Benefit Payments / Beneficiary Payments	- 1,338,588.36	- 1,338,588.36	See funding & disbursement summary
Total disbursements	- 33,779,588.36	- 33,779,588.36	See funding & disbursement summary
Income received	582,991.31	582,991.31	See income & expense summary, cash activity detail
Expenses paid	- 198,728.29	- 198,728.29	See income & expense summary
Unrealized gain/loss change	0.00	502,511.94	See asset summary
Realized gain/loss	11,814,968.17	11,814,968.17	See realized gain/loss summary
Accrued income change	- 69,583.52	- 69,583.52	See income & expense summary
Closing balance	258.745.052.96	315,764,012.31	

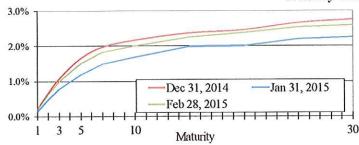


Baird Advisors Fixed Income Market Comments February 2015

Yields Rise in February, Reversing Much of January Drop

The yield on the 10-year Treasury rose 32 bps to 2.00% and the yield curve steepened in February, reversing much of the prior month's decline as U.S. jobs data came in stronger than expected (Jan. nonfarm payrolls +257K vs +228K consensus forecast with an additional +147K revision to the prior two months). The Fed meeting minutes confirmed that the central bank is prepared to begin raising the Fed funds rate, but uncertainty remains high with regard to the timing of an initial Fed move and the magnitude of subsequent policy tightening. As the U.S. economy comes closer to prescribed employment and expected inflation targets, the Fed has advised that its guidance will become less definitive and policy moves will continue to be "data dependent." As such, interest rate volatility could remain high as the market anticipates the Fed's next move.

Treasury Yields



Maturity	Dec 31, 2014	Jan 31, 2015	Feb 28, 2015	1Mo Change
1	0.21%	0.14%	0.19%	0.05%
2	0.66%	0.47%	0.62%	0.15%
3	1.07%	0.77%	1.00%	0.23%
5	1.65%	1.19%	1.50%	0.31%
7	1.97%	1.49%	1.82%	0.33%
10	2.17%	1.68%	2.00%	0.32%
30	2.75%	2.25%	2.60%	0.35%

Spreads Tighten Significantly

Spreads tightened significantly in February as Greece negotiated a temporary bailout extension, oil prices stabilized, and spread sectors were attractive relative to extremely low (and often negative) yields on global sovereign bonds. Stability in oil prices during the month following the precipitous drop from October through January eased fundamental credit concerns in the energy sector, which contributed to a 78 bps tightening in corporate high yield spreads. Investment grade corporate spreads also tightened 13 bps this month on strong investor demand and continued solid credit fundamentals. Asset-backed spreads were unchanged in the month and wider for the year as robust new issuance pushed spreads wider.

Option-Adjusted Spreads (in bps)

	12/31/14	1/31/15	2/28/15	1Mo Change	YID Change
U.S. Aggregate Index	48	51	43	-8	-5
U.S. Agency (non-mortgage)	16	18	16	-2	0
Mortgage and ABS Sectors					
U.S. Agency Pass-throughs	27	33	18	-15	-9
Asset-Backed Securities	58	63	63	0	5
CMBS: Non-Agency	118	127	114	-13	-4
Corporate Sectors					
U.S. Investment Grade	131	136	123	-13	-8
Industrial	140	146	130	-16	-10
Utility	119	121	112	-9	-7
Financial Institutions	117	123	112	-11	-5
U.S. High Yield Source: Barclays	483	509	431	-78	-52

Rising Yields Lead to Negative Returns, Except High Yield

Rising yields led to negative returns for all investment grade sectors in February while the tightening of spreads enabled spread sectors to outperform Treasuries (-1.54%) which had the weakest returns. Investment Grade Corporates (-1.01%) fared somewhat better as spreads tightened and sectors with shorter average maturities (e.g. ABS -0.38%) posted some of the smallest declines. Mortgage-Backed Securities (-0.16%) offered relatively stable returns as rising mortgage rates reduced the imminent risk of prepayments on premium priced securities. High Yield returns (+2.41%) stood out as the only sector with positive returns this month, maintaining a strong correlation with upward moves in the equity market.

Total Returns of Selected Barclays Indices and Subsectors

Barclays Index/Sector	<u>February</u>	YTD
U.S. Aggregate Index	-0.94%	1.14%
U.S. Gov't/Credit Index	-1.27%	1.33%
U.S. Intermediate Gov't/Credit Index	-0.70%	0.95%
U.S. 1-3 Yr. Gov't/Credit Index	-0.16%	0.36%
U.S. Treasury	-1.54%	1.00%
U.S. Agency	-0.79%	0.74%
MBS (Mortgage-Backed Securities)	-0.16%	0.68%
CMBS (Commercial Mortgage-Backed Securities)	-0.64%	1.13%
ABS (Asset-Backed Securities)	-0.38%	0.48%
U.S. Corporate - Investment Grade	-1.01%	1.99%
Corporate High Yield	2.41%	3.09%
Municipal Bond Index	-1.03%	0.72%
TIPS (Treasury Inflation Protected Securities)	-1.20%	1.91%

Robert W. Baird & Co. Member SIPC





PERFORMANCE HISTORY Bay County Employees' Retirement System

Percent Total Return Per Period

Time Period 2/28/2015	Port	folio	FTSE/NAREIT
	Gross	Net	Equity REIT Index
1 Month	-2.88%	-2.93%	-3.48%
YTD	3.35%	3.26%	2.99%
1 Year	26.34%	25.60%	22.56%
3 Year	16.99%	16.30%	15.45%
5 Year	19.04%	18.33%	17.61%
Inception (October 21, 2008)	18.51%	17.81%	16.23%



Bay County Employees' Retirement System

Symbol Equity Holdings

Description

Property Type

Shares

Cost

Cost Per Share

Closing Price 2/28/2015

Percentage of Portfolio

Market Value 2/28/2015

Dividend Yield

	\$ 14,500,366	100.0%		ralue	Total Portfolio Value	-			
3.1%	14,325,409	98.8%			Total Equities	. 4			
2.7%	\$297,426	2.05%	\$35.45	\$35.99	\$301,992	8,390	Shopping Centers	Tanger Factory Outlet Centers	SKT
4.1%	\$218,275	1.51%	\$18.72	\$16.06	\$187,246	11,660	Shopping Centers	Ramco-Gershenson Properties Tr	RPT
2.9%	\$486,975	3.36%	\$65.63	\$53.18	\$394,570	7,420	Shopping Centers	Regency Centers Corp	REG
3.7%	\$159,781	1.10%	\$28.32	\$24.97	\$140,864	5,642	Shopping Centers	Kite Realty Group Trust	KRG
3.6%	\$506,627	3.49%	\$34.16	\$26.58	\$394,149	14,831	Shopping Centers	Acadia Realty Trust	AKR
2.8%	\$589,389	4.06%	\$65.78	\$52.71	\$472,312	8,960	Self-Storage	Extra Space Storage Inc	EXR
2.4%	\$106,024	0.73%	\$23.20	\$19.19	\$87,678	4,570	Self-Storage	CubeSmart	CUBE
2.8%	\$1,657,655	11.43%	\$190.36	\$99.78	\$868,848	8,708	Regional Mall	Simon Property Group Inc	SPG
2.2%	\$372,227	2.57%	\$29.01	\$21.02	\$269,708	12,831	Regional Mall	General Growth Properties Inc	GGP
0.0%	\$163,315	1.13%	\$18.35	\$18.01	\$160,297	8,900	Office/Not Indexed	Paramount Group Inc	PGRE
1.9%	\$435,831	3.01%	\$73.97	\$54.85	\$323,171	5,892	Office	Kilroy Realty Corp	KRC
3.7%	\$451,083	3.11%	\$45.61	\$36.49	\$360,881	9,890	Office	Highwoods Properties Inc	WIH
3.8%	\$125,374	0.86%	\$15.85	\$15.05	\$119,044	7,910	Office	Brandywine Realty Trust	BDN
5.2%	\$630,712	4.35%	\$137.41	\$92.91	\$426,442	4,590	Office	Boston Properties Inc	BXP
3.0%	\$196,616	1.36%	\$95.91	\$68.54	\$140,510	2,050	Office	Alexandria Real Estate Equitie	ARE
3.1%	\$737,175	5.08%	\$42.71	\$43.68	\$753,870	17,260	Industrial	Prologis Inc	РБ
1.9%	\$240,698	1.66%	\$21.28	\$17.22	\$194,825	11,311	Industrial	First Industrial Realty Trust	æ
3.6%	\$233,131	1.61%	\$38.92	\$28.72	\$172,016	5,990	Hotels	LaSalle Hotel Properties	H
3.6%	\$186,165	1.28%	\$21.00	\$19.03	\$168,697	8,865	Hotels	Host Hotels & Resorts Inc	TSH
0.9%	\$240,602	1.66%	\$10.77	\$7.23	\$161,554	22,340	Hotels	FelCor Lodging Trust Inc	준
2.8%	\$225,019	1.55%	\$14.48	\$12.22	\$189,968	15,540	Hotels	DiamondRock Hospitality Co	DRH
3.4%	\$324,663	2.24%	\$35.56	\$21.58	\$197,047	9,130	Hotels	Chesapeake Lodging Trust	CHSP
3.4%	\$170,928	1.18%	\$29.02	\$28.98	\$170,715	5,890	Hotels	Chatham Lodging Trust	CLDT
4.5%	\$77,532	0.53%	\$10.65	\$12.54	\$91,316	7,280	Hotels	Ashford Hospitality Trust Inc	AHT
4.3%	\$597,026	4.12%	\$74.47	\$67.72	\$542,915	8,017	Healthcare	Ventas Inc	VTR.
4.7%	\$151,355	1.04%	\$32.69	\$27.77	\$128,573	4,630	Healthcare	Sabra Health Care REIT Inc	SBRA
4.3%	\$122,928	0.85%	\$71.18	\$60.07	\$103,748	1,727	Healthcare	National Health Investors Inc	IHN
4.2%	\$790,378	5.45%	\$77.11	\$64.50	\$661,079	10,250	Healthcare	Health Care REIT Inc	HCN
5.5%	\$185,392	1.28%	\$16.45	\$13.72	\$154,641	11,270	Healthcare	Physicians Realty Trust	DOC
8.5%	\$91,822	0.63%	\$9.81	\$9.20	\$86,154	9,360	Free Standing	American Realty Capital Proper	ARCP
2.6%	\$502,223	3.46%	\$110.04	\$68.75	\$313,790	4,564	Diversified	Vornado Realty Trust	ONV
2.2%	\$184,287	1.27%	\$7.05	\$6.93	\$181,212	26,140	Diversified	Gramercy Property Trust Inc	GPT
2.3%	\$822,991	5.68%	\$222.43	\$182.46	\$675,104	3,700	Apartment	Essex Property Trust Inc	ESS
2.6%	\$1,089,975	7.52%	\$77.03	\$65.97	\$933,533	14,150	Apartment	Equity Residential	EQ _R
2.8%	\$953,814	6.58%	\$168.34	\$151.51	\$858,439	5,666	Apartment	AvalonBay Communities Inc	AVB



Investment period ending: 02/28/2015

Portfolio inception date: 09/02/2010

Bay County Employees' Retirement System - 05231100

Portfolio Style: SmallCap Growth Equity

Portfolio Summary		
	Month To Date	Year To Date
Beginning Market Value	9,749,342.21	10,177,409.68
Contributions	0.00	666.36
Withdrawals	-12.28	-37.05
Dividend and Interest Income	9,343.35	13,550.58
Change in Market Value	549,783.20	116,866.91
Ending Market Value	10,308,456.48	10,308,456.48

21.00		17.83	7.37	4.75	7.20 4.75	7.20	RU20GRTR ¹
17.58		3.49 14.20	3.49	1.06	1.06	5.73	Net
18.55		15.25	4.41	1.28	5.73 1.28	5.73	Gross
Annualized Since Inception	Years	Years	1 Year	Ą	QTD	MTB	
				7	ımmaı	ance Su	Performance Summan

Russell 2000 Growth Index

Performance is based on fiscal year end of portfolio

26

1.69%	173,851.02	SPECTRANETICS CORP
1.70%	174,784.72	MGIC INVESTMENT CORP
1.86%	191,505.44	GENESCO INC
1.88%	193,758.21	CAVIUM INC
2.01%	207,577.26	QUAKER CHEMICAL CORP
2.18%	224,414.80	IMPERVA INC
2.29%	236,006.40	CENTENE CORP
2.40%	247,457.29	UNIVERSAL ELECTRONICS INC
2.45%	252,920.41	MARTIN MARIETTA MATERIALS
3.21%	331,057.50	NATUS MEDICAL INC
% of Market Value	Total Market Value	Security Description
		Top Ten Holdings

Industry Weightings

Discretionary 17.19% Cash 2.53%	Consumer Staples 3.93%	Industrials 12.77%	Materials 5.54%	Financials 7.74%
Technology 20.81%	Energy 2.15%	27.50.10	Health Care	

BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM

î	differ from a ctual portfolio returns due	nodobgycan	ind-hold met	dusing this buy-a	Returns calculate	n Bloomberg, I	ss offees, withi	ng information, gr	Returns are calculated using daily holding information, gross of fees, within Bloomberg. Returns calculated using this buy- and-hold methodology can differ from actual portfolio returns due to
		2.70	1.76	0.94					
2.9	Marine	-0.18	-0.23	0.06	6.28	4.43	3.19	7.76	Materials
3.1	Communications Equip.	-0.06	-0.23	0.17	-2.64	6.98	-7.23	4.69	Utilities
ထ	Road & Rail	-0.05	-0.08	0.03	8.44	4.01	6.64	4.37	Energy
; <u>1</u> 2	Building Products	-0.02	0.03	-0.04	6.26	11.98	6.51	9.23	Consumer Discretionary
44.	Household Durables	0.01	0.00	0.01	3.96	0.74	0.00	0.00	Telecommunication Services
5.7	Metals & Mining	·	0.00	0.07	2.18	2.78	0.00	0.00	Consumer Staples
7.0	Machinery		-0.02	0.37	7.65	12.74	7.62	25.12	Industrials
8.7	Health Care Prov. & Srvcs		0.57	-0.03	6.51	9.72	13.70	8.18	Information Technology
10.3	Banks		0.75	0.15	3.43	40.93	5.99	28.83	Financials
11.8 %	Insurance	1.14	0.98	0.16	7.15 %	5.70 %	15.85 %	11.82 %	Health Care
End Wgt		Total	Stock	Sector	Equ. Ret	Avg Wgt	Equ. Ret /	Avg Wgt I	
			Allocation	A)0 Value	Russell 2000 Value		Portfolio	
[[Fortiohio	Top Ten Industries - Total Portfolio				'n	Alteributio	Regionmance Attribution		
2.7	Meritor Inc.					-0.31	-9.20	3.06	Great Plains Energy Inc.
2.9	Great Plains Energy Inc.					-0.17	-9.27	1.76	Taro Pharmaceutical Inds.
2.9	Sonic Automotive Inc.					-0.11	4.46	2.56	Horsehead Hldg Corp.
2.9	Matson Inc.	-1.0%	•	(On Semiconductor Corp.)	(On Semicor	-0.07	-2.65	2.44	PHH Corp.
	Hanger Inc.			at'l Corp.)	(Masonite Int'l Corp.)	-0.06 %	-2.20 %	4.81 %	Masonite Int'l Corp.
3.4 2	WellCare Health Plans Inc.	•				0.40	29.49	1.51	Invacare Corp.
	Con-way Inc.					0.42	14.11	3.11	Matson Inc.
3.9	First Horizon Nat'l Corp.					0.42	26.11	1.79	Brink's Co.
4.1	Horace Mann Educ. Corp.	0.5%		prises Inc.	Rush Enterprises Inc.	0.60	19.97	3.13	Hanger Inc.
4.1 %	Masonite Int'l Corp.				KBR Inc.	0.74 %	24.65 %	3.20 %	WellCare Health Plans Inc.
End Wgt		-	snalsell	Sell) Now buy/finals ell	Major Buy(Sell)	Contr.	Ttl Ret	Avg Wgt	
જાતકૃતા પા	Top Ten Stocks - Total Portfolio		ala	Irading Dala		e) Performan	contralbutors to	Top and Bottom Five Contributors to Performance
		4,100	9/ 1:11	" Or Troyaming	ns.	nualized retun	r are average an	eriods over one vea	Commencement of portfolio: 12/1/03. Periods over one year are average annualized returns.
*	/ 20%	anoron,	~ / 1_V-T-	# of Holdings / 1 Vr Turnovor	Ç	1:00	1	0.70	Soft 200 littlex
\$2,070	Ð	3	de lization (Market Carit	ю Л	η η) ii	ה קר ה	
1.3%	1.0% 2.0%)ld	Dividend Yield	8.92	2.53	2.53	5.94	Russell 2000 Index
2.2x	1.4x 1.5x		Ratio	Price / Book Ratio	8.38	0.29	0.29	4.64	Russell 2000 Value Index
11.0×	8.5x 8.9x	•	Cash Flow Ratio	Price / Cash					
16.7x	13.5x 15.2x	2)	E Ratio (FY	Projected P/E Ratio (FY2)	11.19 %	1.99 %	1.99 %	7.16 %	Portfolio - Total Return
Rus 2000	Portfolio Rus 2000 V				Since Incept	TTD	QTD	MTD	The state of the s
	Weighted Avverage Rodffolio Characteristics	AVA	iv eloh			Š			
y 28, 2015	Month Ended February 28, 2015		% Cash)	15,594 (3.4%	Total Market Value: \$11,215,594	Market V	Total		Small Cap Value
									-

Returns are calculated using daily holding information, gross offices, within Bloomberg. Returns calculated using this buy- and-hold methodology can differ from a chalportfolio returns due to intraday trades, cash flows, accrued/miscellaneous income, corporate actions, and trade price and dosing price difference of any given security. Russell Investment Group is the source and owner of the Russell Index data contained herein (and all trademarks related thereto), which may not be redistributed. The information herein is not approved by Russell. H&W and Russell sectors are based on the Global Industry Classification Standard by MSCI and Standard and Poor 5.

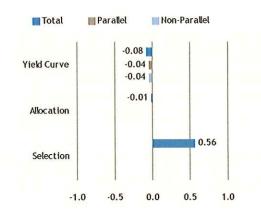
performance review

february 2015

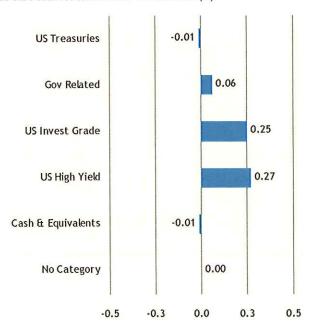
CURRENT MONTH TOTAL RETURNS (%)

Account Return -0.47
Benchmark Return -1.01
Excess Return 0.54

CURRENT MONTH EXCESS RETURN ATTRIBUTION (%)



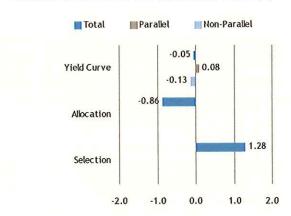
EXCESS RETURN ATTRIBUTION BY SECTOR (%)



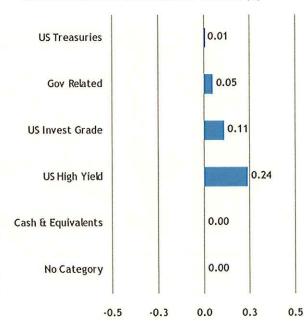
TRAILING YEAR TOTAL RETURNS (%)

Account Return 7.15
Benchmark Return 6.54
Excess Return 0.61

TRAILING YEAR EXCESS RETURN ATTRIBUTION (%)



EXCESS RETURN ATTRIBUTION BY SECTOR (%)



The Attribution benchmark is Bardays U.S. Corporate Investment Grade. Figures on boar charts may not add up to total excess return as they exclude impact of trading and pricing differences. Attribution account returns are gross of fees Excess Return by sector excludes yield curve impact. Data Source: Bardays Capital



performance review

february 2015

PERFORMANCE (%)

	ACCOUNT(GROSS)	BENCHMARK
Feb 15	-0.47	-1.01
YTD	2.15	1.99
1 Year Trailing	7.15	6.54
3 Year Trailing	5.96	4.76
5 Year Trailing	7.71	6.39
1/31/97 - 2/28/15 Annualized	7.14	6.46

MARKET VALUE

\$36,601,461

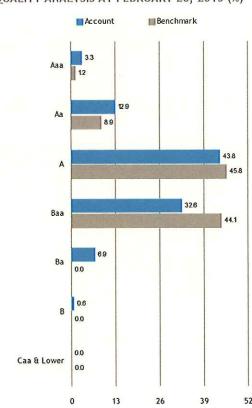
CHARACTERISTICS

Effective Duration	7.44 years	7.30 years
Average Maturity	10.84 years	10.66 years
Yield	3.21%	2.90%
Average Quality	Baa1	Baa 1

SECTOR ANALYSIS AT FEBRUARY 28, 2015 (%)

Account **■**Benchmark **US Treasuries** Gov Related US Invest Grade 38.8 IG - Financial 324 417 IG - Industrial IG - Utility US High Yield Cash & 11 Equivalents No Category 28 56

QUALITY ANALYSIS AT FEBRUARY 28, 2015 (%)



The aurent benchmark is Bardays U.S. Corporate Investment Grade. (1) Citigroup Broad Inv-Grade (BIG) from 1/31/1997 to 6/30/1999; Bardays Credit from 6/30/1999 to 2/29/2012; and Bardays U.S. Corporate Investment Grade from 2/29/2012 to 2/28/2015. For split rated securities in the quality distribution, the higher of Moody and S&P is used. The account's split rating treatment is based on client guidelines. The benchmark follows the vendor's methodology. Equity securities are deemed to have a duration and maturity value of zero. Yield is Yield to Effective Maturity Data Source: Bardays Capital, Bloomberg This report is a service provided to customers of Loomis Sayles for informational purposes and is not a recommendation to purchase or sell securities. Unless otherwise noted, the performance shown is gross of management fees. Past performance is not a guarantee of future results. Loomis Sayles believes the information contained in this report is reliable but we do not guarantee its accuracy.



Bay County Employees' Retirement System Growth Equity
Report as of 28 February 2015

Performance results (%) gross and net of fees (USD)

Period	Portfolio gross	Portfolio net	Benchmark ^A	Excess ^{AA}
February	6.87	6.82	6.67	0.13
January	-1.77	-1.82	-1.53	-0.28
2015 YTD	4.98	4.87	5.03	-0.16
1 year	11.32	10.66	16.24	-5.58
Since client inception (04-Sep-12)	22.40	21.67	20.64	1.00

Source for benchmark performance: SPAR, FactSet Research Systems Inc.

All periods greater than one year are annualized.

Past performance is no guarantee of future results.

A Russell 1000 Growth Index

^^ Excess return net vs benchmark (%)

FOR EXISTING INSTITUTIONAL CLIENT USE ONLY.

MFS Institutional Advisors, Inc.

Page 1 of 1

Bay County Employees' Retirement System - Growth Equity

			33,144,897.30		Total Value	
			26,555.34	8	Accrued Income	
100.00%	33,144,897.30	26,555.34	33,118,341.96	24,014,166.63	1	
2.10% 96.21% 1.69%	697,268.80 31,888,459.31 559,169.19	0.00 26,555.34 0.00	697,268.80 31,861,903.97 559,169.19	697,268.80 22,767,860.88 549,036.95		CASH COMMON STOCK ADR
Total Value	Total Value	Accrued Income	Market Value	Cost		
				Portfolio Currency: USD	28-Feb-15	Valuation Summary

This report contains trade date position values, calculated by MFS. This is not the official book of record for the account. Cash is a net cash balance comprised of cash on deposit, and payables and receivables that have not settled.



CUSPISEDOL T 712307 C 711000 A06141 F 807401910 F 97401910 F	OHNESN OHROG FRMC FREN FREN DEBANN	EKASBARESS I	Price 9 78,04 271.40 188.41 69.75 147.77 24.53	Shares Held 516,000 130,002 181,543 171,908 471,908 217,346 1,206,444			Market Value % 3.50 3.50 2.60 2.60 2.70 2.51 2.70 2.51 2.70 2.51	2.000	Equivalent Exposu	Equivalent Exposure % Market 350 2 300 2 200 2 200 2 200 2 277 1	Equivalent Exposure %. Market Cap (mm) MF8 Sector 251 pp6 33 Consumer Staples 308 200,614 57 Health Care 289 03,120 57 Retailing 289 44,904 76 Consumer Staples 299 122,098 59 Health Care 299 122,098 59 Health Care 257 127,098 55 Technology	Equivalent Exposure % Market Cap (mm) MF9 Sector Global Sector 3.50 221,055.33 Concurrent Stagles Consumer Stagles 3.00 230,074.57 Health Care 03,120.57 Revailing Consumer Oxidicals 2.80 03,120.57 Revailing Consumer Oxidicals 2.80 44,904.76 Consumer Stagles Consumer Stagles 122,105.58 Health Care Health Care 127,010.58 Technology Technology Technology	Equivalent Exposure % Market Cap (mm) MP9 Sector Global Se	Equivalent Euponum % Market Cap (mm) MFS Dector Clobal Sector Clobal Sector Consumer Stagles Consumer Stagles Consumer Stagles Consumer Stagles Consumer Stagles Consumer Charles Consumer Charle	Equivalent Exposure %. Market Cap (mm) MPS Sector Global Sector MPS Industry MPS Country 250 251865-33 Corpume Staples Consumer Staples Consumer Staples Consumer Staples Consumer Chalcies Consumer
13637510	2	Ltd ADR Canadian National Railway Co	69.14	418,978	28,968,138.92	20,960,130,92	2.52		252		55,901,92 Transportation	55,961,92 Transportation Capital Goods	55,961,92 Transportution Capital Goods Industrials	55,961,92 Transportation Capital Goods Incustrials Railroad & Sheping	55.961.92 Transportution Capital Goods Industrials Relatived & Shepring Consults
BLNN3L	CB,CPG	Compass Group PLC	17.79	1,593,418	29,339,181.33	28,339,181,33	246		2.40			29,632.61 Special Products & Services	29,632.61 Special Products & Services Technology	29,632.61 Special Products & Services Technology Consumer Discretionary	29,632.61 Special Products & Services Technology Consumer Discretionary Business Services
61151C10 468232 BRJL17	FR.RI CHUBSG	Pernod Ricard SA LIBS Group AG	110.56	218,570	25,914,390.96 25,465,163.02	25,914,390.00 25,465,183,04	22 23 1		1 5 <u>5</u>	2.25 31,460.20 Consumer Staples 2.21 05,950.09 Financial Services	31,409.20 Consumer Staples 05,950,09 Financial Services	31,460,30 Communer Staples Consumer Staples O5,950,00 Financial Services Financial Services	31,409.30 Contained Staplers Consumer Staplers C	Consumer State C	Consumer State C
BUTXUS BUKFUD 574081	HK 1299 GB,WPP DE,LIN	AIA Group Ltd WPP PLC Lindo AG	5 889 23 70 203 44	4,240,400 951,747 106,181	24,959,044.33 22,554,593.20 21,601,911.98	24,958,045,14 22,554,583,20 21,604,893,98	1.88		196	2.17 70,096.35 Financial Services 1.96 31,116.98 Lessure 1.00 37,768.18 Basic Manals 1.70 64.90 For the man Station		70,996.35 Financial Services 31,116.08 Lessure 37,786,18 Basic Nateralls 64.906.60 Common Stanlar	70,996-35 Financial Services Financial Services Financial Services S1,1116-98 Lessure Consumer Opticalis Consumer Description 37,766-18 Basic Nationals Copial Cooks Mathematics As 470-10 Consumer Stations Consumer Consu	70,996-35 Financial Services Financial Services Financial Services S1,1116-98 Lessure Consumer Opticalis Consumer Description 37,766-18 Basic Nationals Copial Cooks Mathematics As 470-10 Consumer Stations Consumer Consu	70,596.35 Financial Services Financial Services Financials Indurance 131,116,99 Lessure Consumer Oydrotats Consumer Discretionary Disordosating 31,716,199 Lessure Consumer Oydrotats Materials Servicians Operations Servicians Consumer States Consumer Stat
483410	ESE !	Group PLC Schneider Electric	80.55	247,588	19,943,020.03	19,943,020.03	1.73		1.73	47,083.34	47,083.34 Industrial Goods & Services	47,083.34 Industrial Goods & Services Copital Goods	47,083.34 industrial Goods & Services Capital Goods Industrials	47,083.34 industrial Goods & Services Capital Goods Industrials	47,083.34 industrial Coods & Services Capital Goods. Industrials Electrical Equipment
023740 405780 65365610	SE,DGE	Diageo PLC L'Oreal SA NICE-Systems Ltd	29.86 181.57 58.37	99,491 307,172	18,498,445.33 18,064,169.23 17,928,629.64	18,498,445,33 18,004,160,23 17,929,029,64	1,01 1,57 1,56		161 157	1.61 75,171.71 Computer Staples 1.57 101,900.30 Consumer Staples 1.56 3,558.24 Technology	75,171,71 101,900,30 3,550,24	75,171.71 Consumer Staples 101,900.30 Consumer Staples 3,559.24 Technology	75,171,71 Consumer Staples Consumer Staples 101,000.30 Consumer Staples Consumer Staples 3,550.24 Technology Technology	75,1717 Comunes Staples Concurnes Staples Concurnes Staples 101,000.30 Concurnes Staples Concurnes Staples Concurnes Staples 3,550.24 Technology Information Technology	75,171.71 Commune Staples Consumer Staples Consumer Staples Consumer Staples 101,000.30 Communer Staples Consumer Staples Consumer Staples 3,500.42 Technology Technology Information Technology Computer Staples
B1KJJ4 B6Q3JZ	OB,WTB	Whitbroad PLC Whitbroad PLC	81.13 17.05	1,045,140	17,886,012.72 17,823,436.70	17,896,012.72 17,923,437.59	155		158	1.55 14,723.13 Leisure 1.55 42,724.41 Financial Services	14,723 13 42,724 41	14723.13 Leisure 42,724.41 Financial Services	14,723.13 Leisure Consumer Oydicals 42,724.41 Financial Services Financial Services	14,723.13 Leisure Consumer Oycitcals Consumer Discretionary 6 42,724.41 Financial Services Financial Services Financial Services	14.723.13 Leisure Consumer Optical Consumer Disordionary Restaurants 42.724.41 Financial Services Financial Services Financials Financials Financials Financials Financials Financials
B4YVF5 317430	DE,BNR GB,BRDY	Bronntag AG Burbany Group PLC	50.47 28.90	300,054	17,544,206,15 17,169,169.93	17,544,260,15 17,169,169,93	1.52 1.45		1.52	1.52 9,033.68 Special Products & Services 1.49 12,852.55 Retailing	9,033.68 12,852.55	9,033.68 Special Products & Services 12,852.55 Retailing	9,033.68 Spricial Products & Services Technology Industrials 12,952.55 Retailing Consumer Cyclicids Consumer Discretionary	9,033.68 Spricial Products & Services Technology Industrials 12,952.55 Retailing Consumer Cyclicids Consumer Discretionary	Optional Products & Services Technology Industrials Business Services 12,052.55 Retailing Consumer Opticals Consumer Discretionary Apparel Manufacturers
59268810	MIN OF N	Mettler-Toledo	314.17	54,293	17,057,231.81	17,057,231.81	148		1.48	1.48 8,973.10 Industrial Goods & Services		8,873.10 Industrial Goods & Services	8,873.10 Industrial Goods & Services Capital Goods	8,973.10 Industrial Goods & Services Capital Goods Health Care	8,973,10 Industrial Goods & Services Capital Goods Heath Care Electrical Equipment
ВНС8Х9	DKNOVO	Novo Nordisk AS	47.94	350,374	16,797,817.72	16,797,817.74	146		1.46	1.40 124.101.94 Health Care		124,101.94 Heath Care	124,101,04 Health Care Health Care Health Care	124,101,04 Health Care Health Care Health Care	124,101,04 Heath Care Heath Care Heath Care Pharmaceuticals Dermark
D1JB4K 416921	DE:SY1	Symrise AG Carisberg AS	03.01	260,351 177,735	16,560,094.51 15,205,719.12	15,205,719.14	1 1 1		132	1.44 8,250,90 Basic Materials 1.32 13,050,05 Consumer Steples	8,256.96	8,256,96 Basic Materials 13,050,05 Consumer Staples	8,250,96 Basic Materials Capital Goods 13,050,05 Consumer Steples Consumer Staples	8,256.90 Basic Materials Capital Goods Materials 13,050.05 Consumer Staples Consumer Staples Consumer Staples	8,256.90 Basic Materials Contail Goods Materials Specialty Chemicals 13,054.05 Consumer Staples Contumer Staples Contumer Staples Accident Develope
B63H64	CB,RR		14.65	995,938	14,591,623.58	14,591,623.58	127		1.27	1.27 27,548.49 Industrial Goods & Services		27,548,49 Industrial Goods & Services	27,548.49 Industrial Goods & Services Capital Goods	27,548,48 Industrial Goods & Samces Capital Goods Industrials	27,548.49 Industrial Goods & Services Capital Goods Industrials: Aerospace & Defense
595937	SELMEB		12.97	1,084,333	14,059,780.99	14,059,781,37	123		13	1.22 42,031.57 Technology		42,031.57 Technology	42,031,57 Technology Technology	42,031.57 Technology Technology Information Technology	42,031.57 Technology Technology Information Technology (Newack & Telecom
613674 P3107610	CPA 684	Copa Holdings SA	37.16	368,200	13,681,485.48	13,691,496,34	1.19		1.19			3,700.92 Technology 5,009.35 Transportation	3,700.92 Technology Technology Information Technology 5,009.35 Transportation Consumer Cyclicats Industrials	3,700.92 Technology Technology information Technology Computer Schware Japan 5,009.35 Transportation Consumer Cyclicate Industrials Authors Paranna	3,700.92 Technology Technology Information Technology Computer Schware 5,009.35 Transportation Coreamer Cyclicals Industrials Affines
B23K0M 087628 677172	CB,CPI		1834	902,945	13,354,631.49	13,354,631,49	13 5		3 2 2	1.10 (0,407.50 Energy 1.15 (02,119.52 Technology		60,497.50 Energy 192,119.52 Technology	60,407.50 Energy 102,119.52 Technology 102,119.52 Technology 102,119.52 Technology 103,119.53 Technology	14, 10-21-0 perulai ricultus a centraria incurrinos ine	14, 10-21-0 perulai ricultus a centraria incurrinos ine
512907	OCEME	Fresenius Medical Care AG & Co	91.88	160,190	13,117,15450	13,117,154.50	134		1,14	1,14 25,470.25 Health Care		25,478.25 Health Care	25,478.25 Health Care Health Care	25,478.25 Health Care Health Care Health Care	25,478.25 Health Care Health Care Health Care Medical Services
449774	BE,KBC	KBC Groop NV	50.67	202,614	12,293,582.37	12,293,582,37	107		1.07		25,348.80 Financial Services	25,348 80 Financial Services Financial Services	25,248.80 Financial Services Financial Services Financials	25,340:00 Financial Services Financial Services Financials Other Banks and Diversified Financials.	25,348:00 Financial Services Financial Services Financials Other Banks and Diversified Delpum Financials
5170GJ 094658 316383	GB,WEIR	Air Liquide SA Weir Group PLC Intertek Group PLC	132.10 26.31 39.00	279,546	11,814,020.20 11,195,162.20 10,916,978.55	11,814,029,29 11,195,162,20 10,916,978,55	097		0.97	1.03 45,502.42 Darsic Motionals 0.97 5,613.45 Industrial Goods & Services 0.95 6,302.70 Special Products & Services	45,592.42 5,913.46 6,302.70	45,502.42 Basic Materials 5,613.46 Industrial Goods & Services 6,302.70 Special Products & Services	45,502 42 Buric Materials Codes Codes 5,913 46 Industrial Goods & Sancero Copital Goods 6,302 70 Special Products & Sancero Technology	45,502.42 Dates Methodos Capitals Codos Methodos Sonicios Capitals Codos Methodos Capitals Codos Industrials (5,002.70 Spendal Products & Services Technology Industrials (5,002.70 Spendal Products & Services Technology Industrials	45,502.42 Daris Markhalis Coots Capital Coots Industrials Selection Addition of Tools 5,613.64 Industrial Coots Services Capital Coots Industrials Martiney & Tools 6,020.70 Special Propulsit Services Technology Industrials Business Services
B2QKY0	GB/SHD	Shire PLC	81 44	131,942	10,745,104.14	10,745,104.14	0.93		0.93	48,789.57	48,739.57 Health Care	48,739,57 Health Care Health Care	48,739.57 Health Care Health Care	48,799.57 Health Care Health Care Health Care Francy Francy	48,799.57 Health Care Health Care Health Care Pharmaceuticals 17 an no Fearny Fearny Fearny Fearny Pharmaceuticals
B10RB1 B3MSM2	ES,AMS	Amadeus IT Holding	41.24	248,420	10,244,093.68	10,244,093,68	0.89		0.89	0.89 18,456,94 Special Products & Services	18,456.94	18,456.94 Special Products & Services	18,456.94 Special Products & Services Technology Information Technology	15,456 94 Special Products & Services Technology Information Technology Business Services	18,456.94 Special Products & Services Technology Information Technology Dustiness Services Spain
691148 B1W4V6	JP,8113	Unicham Corp	27 67	367,300	10,161,574,80 9,812,884,59	10,161,582.86 9,812,864.59	0.08		0.88	0.88 17,175.76 Consumer Staples 0.85 4,336.28 Industrial Goods & Services	17,175,76 4,336,28	17,175.76 Consumer Staples 4,336.29 Industrial Goods & Services	17,175.76 Consumer Staples Consumer Staples Consumer Staples 4,336.28 Industrial Goods Exemples Capital Goods Industrials	17;175.76 Consumer Staples Consumer Staples Consumer Staples Consumer Staples Consumer Products 4,336.28 Industrial Goods & Services Capital Goods Industrials Electrical Equipment	17,175.76 Consumer Staples Consumer Staples Consumer Staples Consumer Staples Consumer Products Japan 4,356.78 Industrial Goods & Services Capital Goods Industrial's Electrical Equipment tay
054052	GB;HSBA		0.91	1,092,734	9,739,151.37	9,739,151.37	0.83		2005	171,295.63	171,295.63	171,295.63 Financial Services	171,205.63 Financial Services Financial Services Financials	171,205.63 Financial Services Financial Services Financials	171,205.63 Financial Services Financial Services Financials Financials Major Banks. 10 224 67 Financial Services Financial Services Financials Charles and Diversified
040828	GBISTAN	Standard Chartered	15.30	030,712	9,049,011.99	9,049,011,99	0.04		20		37,831.33 Financial Services	37,831.33 Financial Services	37,031.33 Financial Services Financial Services Financials	37,031.33 Financial Services Financial Services Financials	37,031.33 Financial Services Financial Services Financials Major Banks
647453	JP,2914		3153	302,800	9,547,842.79	9,547,850.37	080		0.03	0.83 63,063.80 Consumor Staples	63,063.80	63,063.80 Consumer Staples	63,063.80 Consumer Staples Consumer Staples	63,063.80 Consumer Staples Consumer Staples Consumer Staples	63,053.90 Consumer Staples Consumer Staples Consumer Staples Tobacco
533004	FR,DSY	Dassaut Systemes	69.97	134,637	9,421,115.00	9,421,115.00	0.82		0.82		17,894.05 Technology	17,994.05 Technology Technology	17,994.05 Technology Technology	17:804:05 Technology Technology Information Technology Computer Software	17,894.05 Technology Technology Information Technology Computer Sollware France
637248 023352	TW,2454 GB,CRDA		A 15.06	612,000 215,887	9,217,512,16	9,217,513,13 9,005,979,09	0.80		0.80	0.80 23,068.01 Technology 0.79 5,720.72 Basic Materials	23,068.01 5,720.72	23,068.01 Technology 5,720.72 Basic Motorials	23,068.01 Technology Technology 5,720.72 Basic Materials Capital Goods	23,668.01 Technology Technology Information Technology 5,720,72 Basic Materials Capital Goods Materials	23,060.01 Technology Technology Information Technology Electronics 5,720,72 Basic Materials Capital Goods Materials Specially Chemicals
721247	T P P P P P P P P P P P P P P P P P P P	Essilor International	116.00	76,607	0,954,191,77	8,954,191.77	0.78		0.78	0.76 25,234.56 Health Cere	0.78 25,234.56 Health Care Health Care		Health Care	Health Care Health Care	Health Care Health Care Medical Equipment
	(1) (1) (1) (1) (1) (1) (1) (1) (1) (1)	S. C.				8,923,538,56	0.77		0 77	75 Oct 50 Billion & Communications		Telecom / CATV	Telecom / CATV Telecommunication Services	0.77 73,041.59 Usities & Communications Telecom/ CATV Telecommunication Services Wireless Communications Japan	Telecom / CATV Telecommunication Services Wireless Communications

Page 1 of 2

SULCE SU SULCE SUCS SULCE SUC SULCE SUC SUC SUC SUC SUC SUC SUC SUC SUC SUC	HTQ - MFS
OT W	Heritage Ti
100111	rust Company
A 9.7	Cu

HTG - MFS Heritage Trust Company	BOJOGP INTO ITOLIA	603773 JP:8570 AEON	504050 JP;4612 Nippo	681789 JP;9989 Sundr.	DESAP	BITTCY CHSCHP Schin	B2014Z HK;0151 Want Holds	564180 JP:0980 NITO C	10 BAP	545831 NLAKZ AKO	GB,EXPN	CA;SU	636476 THEKSKIR Kasiki	715003 CH;SOON Sonov	02319V10 ABEV Ambo	GB,PAP	688507 JP:4543 Terum	D43399 HK;2238 Guang	Court	R	FRICA	FRICE FRICE SEATCOA	FRANCOA SE-ATCOA	FRILA FRILA SE ATCOA KR005420	FRILA FRICA SEATON O TUB KR035420 BR.MDIA3	FRUR FRICER SEATOOA TUB KROSSA20 BRANDINA MX.GENO R	FRLE FRYER SEATOOA O TUB O KROSSA20 BRANDINA AKKGENO R	FRICE FRICE FRICE GEATON GRADUS RACGENO R RUSBER RUSBER	FRYER FRYER SEATONA O TIUB FROMMAN RECENO RE	FRACES SEATCOA O TUG O KROSSADO BRANDAG RACGENO RACGEN	FRUER FRANCIA G THE HYGOSAD BRANCIAN BRANCIAN AUGUST RAUGUST R	FRUER SEATCOA O TIUB FRYER FRYER FRYER FROMAN MICHANIA MIC	FRUER FRACER O THE FRACER FRACES FR	FRUER FRACER O THE	FRUER G TILL G TILL HYGOSA MX.GENO RYGOSA MX.GENO GALL RYTON MX.GENO MX.	FRUER FRACER FRA
pany	ITC Ltd Chr Hansen Holding	AEON Financial	Nippon Paint Holdings Co Ltd	Sundrug Co Ltd	A	Schindler Holding AG	Want Want China Holdings 1 td	Vitto Denko Corp	Credicorp Ltd	AIGO NOBel NV	Experion PLC	Suncor Energy Inc	Kasikombank PCL	Sonova Holding AG	Ambov SA ADR	Paddy Power PLC	erumo Corp	Suangzhou Automobile Group Co Ltd	Legrand SA	200	Attas Copco AB	tau Unibanco Holding SA ADR	NAVER Corp	M Dias Branco SA	Grupo Financiero Banorte SAIB de CV	Li & Fung Ltd	Sherbank of Russia	Rio Tinto Ltd	Dairy Farm International Holdings Ltd	Lojas Renner SA	Loblaw Cos Ltd	BMSFBovespa SA- Bolsa de Valores Mercadonas e Futuros	-	SOUTH THE	Dollarama Inc Honda Motor Co Ltd	Dotarama inc Honda Metor Co Ltd Brambles Ltd
CL	6.37	22.95	34.09	49.16	70.32	165.00	1.10	63,36	145.22	74.30	18,56	30.02	6.71	138.56	0.45	76.59	27.59	980	55.28	10.07	13	12.78	602.25	29.24	4	1.02	123	50.33	8.72	29.62	51.03	ž.	209.56	2007	33.02	33.02
Currency: USD	1,397,280	375,500	246,000	174,000	116,490	48,678	7,065,000	118,700	51,089	208,892	393,166	241,260	1,069,100	61,620	1,009,795	91,293	237,800	6,800,000	114,129	100,010	108,185	385,589	7,631	140,429	739,183	3,910,000	2,794,023	67,119	381,600	107,663	55,741	780,223	11,433	42,252	40,300	111,909
	8,900,721.81 8,017,272.98	8,016,462.19	8,003,545.94	8,552,720.48	8,192,207.74	8,064,729.00	7,788,401.28	7,521,361.70	7,506,276.58	7,348,236.45	7,271,713.67	7,243,851.36	7,175,832 71	7,152,674.25	7,093,677.75	6,901,004.71	6,559,994,79	0,523,117.97	6,309,173.24	6.050.500.76	6,069,682.76	4,927,827.42	4,595,772.10	4,105,004.10	4,020,302.80	3,997,820,86	3,441,300.34	3,378,097.52	3,327,552.00	3,189,214.12	2,044,347.15	2,759,407,67	2,395,672.04	2,113,007,09	1,330,530,61	970,647,19
	8,900,722.21 8,617,272.99	0,610,489.03	8,600,552,77	8,552,727.27	8,192,267,74	8,064,729.01	7,769,461.54	7,521,387.67	7,506,276.58	7,348,236.45	7,271,713,67	7,243,851.40	7,175,033.59	7,152,674.25	7,093,677.75	6,901,004,71	0,560,000.00	6,523,118,18	6,309,173,24	0.000,000,00	0,009,682.92	4,927,827.42	4,595,773.31	4,105,894,14	4,020,383.04	3,997,820,99	3,441,300.34	3,378,097.52	3,327,552.00	3,189,214.15	2,844,347.16	2,759,467.70	2,395,872.63	1,330,531,66	- teatherston	970,647.19
	0.77 0.75	0.75	0.75	0.74	0.71	0.70	0.68	0.05	0.05	2	083	0.03	0.62	0.62	0.62	000	0.57	0.57	0.55	2 2	0.53	0.43	0.40	0.36	0.35	0.35	0.30	0.29	0.29	0.28	025	ğ	0.21	0.12		0.08
	0.77 0.75	0.75	0.75	0.74	0.71	0.70	0.60	0.05	0.65	200	063	0.60	0.62	0.62	0.62	0.60	0.57	0.57	0.55	0 5	053	0.43	0.40	0.36	0.35	0.35	0.30	0.29	0.29	0.29	0.25	0024	0.21	0.12		0.00
	50,976.30 Consumer Staples 5,908.09 Consumer Staples	4,783.88 Financial Services	11,280,77 Basic Materials	3,301.43 Retailing	86,389,77 Technology	10,356,59 Industrial Goods & Services	14,547 30 Consumer Staples	11,010.10 Easic Materials	11,582.75 Financial Services	16,282.92 Basic Materials	18,321 44 Special Products & Services	43,739.04 Energy	16,063,56 Financial Services	9,307.80 Heath Care	101,374.52 Consumer Staples	3,698.33 Leisure	10,476,15 Heath Care	6,173,111 Autos & Housing	14,697.24 Industrial Goods & Services	20,710.33 Retaining	39,285.13 Industrial Goods & Sewices	35,292.97 Financial Services	19,851,80 Technology	3,317.07 Consumer Staples	15,086.32 Financial Services	8,548.51 Retalang	26,588 65 Financial Services	93,105.47 Dassc Materials	11,790.52 Retailing	3,773.71 Retailing	21,048.04 Retailing	6,475.37 Financial Services	13,887.62 Basic Materials	50 805 St. Autos & Housing	Section of the Sectio	13,585.21 Basic Materials
MITS	Consumer Staples Consumer Staples	Financial Services	Capital Goods	Consumer Cyclicals		s Capital Goods	Consumer Staples	Capital Goods	Financial Services	Capital Goods		-	Financial Services	Heath Care	Consumer Staples	Consumer Cyclicals	Hoath Care	Capital Goods			s Capital Goods	Financial Services	Technology	Consumer Staples	Financial Services	Consumer Cyclicals	Financial Services	Capital Goods	Consumer Cyclicals	Consumer Cyclicals	Consumer Cyclicats	Financial Services	Capital Goods	Capital Goods		Capital Goods
	Consumer Staples Materials	Financials	Materials	Consumer Staples	Information Technology	industrials	Consumer Staples	Materials	Financials	Materiata	industrials	Energy	Financials	Health Care	Consumer Staples	Consumer Discretionary	Heath Care	Consumer Discretonary	Industrials	Consumer Discretorary	Industrials	Financials	Information Technology	Consumer Staples	Financials	Consumer Discretionary	Financials	Materials	Consumer Staples	Consumer Discretionary	Consumer Staples	Financials	Materials	Consumer Discretionary		industrials
	Tobacco Food & Beverage	Other Banks and Diversified	Specially Chemicals	Food & Drug Stores	Computer Software	Machinery & Tools	Food & Beverage	Specially Chemicals	Other Banks and Diversified	Specially Chemicals	Business Services	Energy - Integrated	Other Banks and Diversified Financials	Medical Equipment	Alcoholic Beverage	Gaming & Lodging	Modical Equipment	Automotive	Electrical Equipment	Machinery & Tools	Machinery & Tools	Other Banks and Diversified Financials	Internet	Food & Beverage	Other Banks and Diversified Financials	Apparel Manufacturers	Other Banks and Diversified Financials	Metals & Mining	Food & Drug Stores	Ceneral Merchandise	Food & Drug Stores	Brokers & Asset Managers	Specially Chemicals	Automotive		Containers
	Denmark	Japan	Japan	Japan	Gormany	Switterland	China	Japan	Poru	Netherlands	United Kingdom	Canada	Tholland	Switzerland	Brazil	Iroland	Japan	China	France	Pidisco	Sweden	Brazil	South Korea	Brazil	Mexico	Hong Kong	Russia	Australia	Hong Kong	Brazil	Canada	Brazi	South Korea	Japan		Australia
	INE154A01025 DK0000227585	JP3131400008	JP3749400002	JP3336600006	DE0007164600	CH0024638196	KYG9431R1039	JP3694000007	BMG2519Y1084	NL0000009132			TH0016010R14	CH0012549785	US02319V1035	IE0002588105	PUSSESSOONS	CNETOGGGGGGG	FR0010307819	SE0000101010	SE0000101032	US4655621062	KR7035420009	BRMDIAACNOR7	NDCP370711014	BMG5485F1692	RU0009029540	AU000000R101	BMG2024N1535	BRLRENACNOR1	CA5394811015	BRBVINFACNORS	KR7051910008	JP3854600008		AU000000EXE1
	B0JGGP5	6037734	0640507	6817895	4846288	витско	B2Q14Z3	6641801	G2519Y108	5450314	B19NLV4	B3NB1P2	0364766	7156036	02319V103	0258810	0885074	0433995	BITTERES	BROOK	6100R41	465562106	0500393		2421041	6286257	BS6C9L8	6220103	6180274	1 BOCGYDS			0346913	0435145		BIFJOCO

(1)Cash and other assets are less liabilities.

Page 2 of 2

Run Date:

MFS HERITAGE TRUST COMPANY

Account Statement 02/01/2015 - 02/28/2015

Page 1 of 2

-7----- 602/h81 ZOO 708 MFS HERITAGE TRUST COMPANYSM
111 Huntington Avenue, Boston, Massachusetts 02199

Registration:

BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM

(BCERS)

193

Account Number:

BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM

(BCERS)
ATTN: CRYSTAL HEBERT
515 CENTER AVENUE, STE 701
BAY CITY, MI 48708

Account Summary - Period

Fund Name	02/28/2015 NAV	Beginning Market Value	Period Purchases	Period Redemptions	Ending Units	Ending Market Value
MFS INTERNATIONAL GROWTH FUND CL 1 \$129.38	\$129.38	\$15,399,787.96	\$9,340,750.00	(\$0.00)	197,834.210	\$25,595,790.09
Account Total		\$15,399,787.96				\$25,595,790.09
Account Summary - YTD						
Fund Name			YTD Purchases	YTD Redemptions	in a	Account Inception
MFS INTERNATIONAL GROWTH FUND CL. 1		\$9,340,750.00	(\$)	0.00)	0	08/06/14



MFS HERITAGE TRUST COMPANY

Account Statement 02/01/2015 - 02/28/2015 Page 2 of 2

Transaction History

Transaction NAV Units \$129.22 72,285.637	Net Amount \$9,340,750.00	Gross Amount \$9,340,750.00	Trade Date Transaction Type MFS INTERNATIONAL GROWTH FUND CL 1 BEGINNING BALANCE 02/26/2015 PURCHASE BY WIRE
		Net NAV Amount NAV	Net Amount NAV \$9,340,750.00 \$129.22

Message

Please contact your MFS relationship team for any questions regarding your account statement or transaction confirm.

Bay County Employees' Retirement System

MFS® Heritage Trust Company CIT - MFS International Growth Fund

Class 1 Shares

Report as of 28 February 2015

Performance results (%) class 1 shares net of expenses (USD)

Period	Portfolio net	Benchmark ^A Excess ^{AA}
February	5.48	5.13 0.35
January	0.80	0.75 0.05
2015 YTD	6.32	5.92 0.40
Since client inception (06-Aug-14)	1.42	1.45

Source for benchmark performance: SPAR, FactSet Research Systems Inc.

All periods greater than one year are annualized.

Past performance is no guarantee of future results.

class of units that dates back to the Fund's inception, as adjusted to reflect differences in fees paid and expenses incurred by the newer class. For periods prior to the inception date of a unit class, performance information shown for such class is based on the performance of an older

Net of expenses does not include management fees.

^ MSCI All Country World (ex-US) Growth Index (net div)

^^ Excess return net vs benchmark (%)

FOR EXISTING INSTITUTIONAL CLIENT USE ONLY.

MFS Heritage Trust Company

Bay County Employees' Retirement System





Performance results (%) class 1 shares net of expenses (USD)	Portfolio	Benchmark^	Excess returns
February 2015	5.48	5.13	0.35
2015 YTD	6.32	5.92	0.40
Since client inception (06-Aug-14)	1.42	1.45	-0.03

Source for benchmark performance: SPAR, FactSet Research Systems Inc.

All periods greater than one year are annualized.

Past performance is no guarantee of future results.

For periods prior to the inception date of a unit class, performance information shown for such class is based on the performance of an older class of units that dates back to the Fund's inception, as adjusted to reflect differences in fees paid and expenses incurred by the newer class.

Net of expenses does not include management fees.

^ MSCI All Country World (ex-US) Growth Index (net div)

Performance results reflect any applicable expense subsidies and waivers in effect during the periods shown. Without such subsidies and waivers the fund's performance results would be less favorable. All results are historical and assume the reinvestment of dividends and capital gains.

Asset summary (USD)		
Beginning value as of 31-Jan-15		15,399,788
Contributions		+9,340,750
Withdrawals		0
Change in market value		+855,252
Ending value as of 28-Feb-15		25,595,790
Characteristics	Portfolio	Benchmark^^
IBES long-term EPS growth ¹ - weighted median	9.2%	10.8%
Price/earnings (12 months forward) - weighted median	19.8x	18.8x
Return on equity (3-year average) - weighted median	17.2%	15.5%
Return on invested capital - weighted median	11.2%	10.8%
Market capitalization (USD) ²	37.9 bn	31.1 bn
Number of holdings	90	1,068
Trailing 1 year turnover 3	29%	1-8
Barra predicted tracking error 4	2.84%	-

- ¹ Source: Thomson Reuters
- ² Weighted median.
- 3 (Lesser of Purchase or Sales)/Average Month End Market Value
- 4 Source: Barra

No forecasts can be guaranteed.

Top 10 issuers	Sector
NESTLE SA	Consumer Staples
ROCHE HOLDINGS AG	Health Care
LVMH MOET HENNESSY	Retailing
DANONE	Consumer Staples
BAYER AG	Health Care
TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED	Technology
CANADIAN NATIONAL RAILWAY CO	Transportation
COMPASS GROUP EQUITY	Special Products & Services
ACCENTURE PLC	Special Products & Services
PERNOD-RICARD	Consumer Staples

Sectors (%)	Portfolio	Benchmark**
Consumer Staples	19.8	13.0
Financial Services	12.9	16.5
Health Care	11.4	13.8
Technology	10.4	11.1
Special Products & Services	10.0	4.4
Industrial Goods & Services	8.1	6.8
Basic Materials	7.8	6.6
Retailing	7.0	6.8
Leisure	4.1	3.8
Transportation	3.7	3.9
Energy	2.7	2.6
Utilities & Communications	0.8	4.8
Autos & Housing	0.7	5.8

Regions (%)	Portfolio	Benchmark^^
Europe ex-U.K.	44.8	34.9
United Kingdom	20.4	12.4
Emerging Markets	13.7	21.8
Japan	8.2	15.1
North America	7.4	7.1
Asia/Pacific ex-Japan	3.2	8.4
Developed - Middle East/Africa	1.6	0.4
0.8% cash and other assets less liabilities.		

FOR EXISTING INSTITUTIONAL CLIENT USE ONLY.

MFS Heritage Trust Company

^ MSCI All Country World (ex-US) Growth Index

Monthly Report

February 28, 2015





March, 2015

comments about this report, your portfolio, or the markets in general, do not hesitate to call. For your use and review, enclosed please find your portfolio's February, 2015 Investment Summary report. Should you have any questions or

Best regards,

Virginia Rose

FEBRUARY 2015 OVERVIEW OF MONTHLY PERFORMANCE



MARKET OVERVIEW

speculative-grade convertibles climbed 3.96%. Year to date, the All Convertible Index has risen 3.35%. 6.99%. During the month, investment-grade convertibles, as measured by the BofA Merrill Lynch Investment Grade Convertible Index, were up 2.40%, while The U.S. convertible market, as measured by the BofA Merrill Lynch All Convertible Index, rose 4.15% in the month of February while underlying equities soared

the asymmetric return profiles inherent in convertible securities - unlimited upside potential during rising equity markets and limited downside in falling equity relatively small decline in the face of significantly steeper equity market declines. This return pattern, as illustrated during the first two months of 2015, highlights Lynch All Convertible Index managed to capture nearly three-quarters of the equity market's upside. Meanwhile, in January, the convertible benchmark posted a In February, the Standard & Poor's 500 Index rose sharply, gaining 5.75%, and the broader Russell 2000 Index rose 5.94%. During the month, the BofA ML Merrill

regions that are net importers of oil and gas, particularly Europe and Japan. In addition, the Federal Reserve is likely to continue a monetary policy of low interest Europe's stagnant economies begin to expand in fits and starts. The sharp decline in energy prices should provide some material stimulus to those countries and rates, which should foster a healthy climate for stocks and equity-linked securities such as convertibles. We continue to believe that equity markets will be higher in the coming twelve to eighteen months as economic growth in the U.S. continues at a slow pace, while

bonds and stocks are attractive and should continue to perform well. We continue to believe that equities, and equity-linked securities, such as convertibles, are attractively valued, particularly when compared to the yields on pure fixed income securities, specifically U.S. Treasury and investment-grade bonds. We maintain that in a slow growth environment, at current valuations, convertible

With the exception of Utilities, all benchmark sectors rose during the month. Top performing sectors included Consumer Discretionary, Healthcare, Transportation

date, approximately \$12.6 billion has been issued in the U.S. market. Although the recent issuer base has been well diversified across market-cap and sector, the depressed until the yield on the 10-year U.S. Treasury exceeds 3.5% convertible market, while approximately \$3.4 billion has been redeemed through redemptions and maturities, according to BofA Merrill Lynch Research. Year-tovast majority of issuance over the past year has been non-rated. As previously noted, we expect new issuance from investment-grade companies to remain Following a relatively light January, issuance picked up in February. During the month, eight new issues totaling approximately \$9.2 billion came into the U.S.

PERFORMANCE

were hacked and information taken. Subsequent releases from the company downplayed the amount and significance of data stolen and the share price over year and international bookings were particularly strong despite the headwinds from currency translation in a strong dollar environment. Similarly, healthcare recovered. Danaher Corp. rose in February on little company-specific news. The increase was most likely due to the rise in the general market. insurer, Anthem, reported strong fourth quarter results at the end of January. Shortly after, however, the company also announced that's its customer data records February after the company reported fourth quarter, 2014 earnings that were well ahead of investor expectations. Revenue increased nearly twenty percent year The convertibles bonds of Priceline.com, Anthem (Wellpoint) and Danaher, were among the top contributors during the month. Priceline.com rose sharply in

OVERVIEW OF MONTHLY PERFORMANCE FEBRUARY 2015



was well below expectations. This year's earnings are likely to be negatively impacted by customers delaying well intervention work or cancelling contracts despite below expectations of 6.5%. Most hotel companies have been able to achieve strong top-line results through a combination of increased occupancy and room rate slightly in February, perhaps as traders locked in profits and fuel prices modestly rose during the month. Host Hotels fell after reporting fourth quarter earnings that Conversely, exposure to the convertible bonds of Airtran (Southwest Airlines), Host Hotels & Resorts and Helix Energy Solutions, weighed on performance during the attractive for its customers. penalties for doing so. As with most energy companies, Helix is impacted by the sharp decline in crude oil prices which has rendered nearly all projects less increases. Likewise, Energy services company, Helix Energy, reported fourth quarter earnings that missed investor expectations and gave guidance for 2015 that missed investor expectations. Although bottom-line earnings were in-line with expectations, pre-tax income was light due to revenue growth of only 3.2%, which was month. Southwest Airlines declined slightly in February on little company-specific news. Airlines, in general, were very strong performers in January and retreated

OUTLOOK

their companies. However, with stocks at near-record levels, companies are no longer reluctant to issue a security linked to their equity billion of new issuance. The surge in new issuance was largely due to the simultaneous rise in stock prices and interest rates. With the rise in rates, issuing preponderance of new issuance in 2013 and 2014 has been from non-investment grade companies. In addition, following the stock market decline of 2008, investment-grade companies, however, rates remain so low in absolute terms that the benefits of a convertible offering remain relatively muted. As such, the companies could once again realize a significant interest savings by issuing a convertible bond instead of a non-convertible high-yield security. For most in 2013. The past two years have marked the resurrection of a vibrant market for new convertible issuance, which continued in 2014 following 2013's nearly \$50 2014 was a decent year for the convertible market, which was somewhat surprising given that many were expecting a pullback following the tremendous advance companies were reluctant to issue equity-linked securities as they believed that doing so would dilute existing equity holders at prices they believed under-valued

other classes of fixed income instruments, have almost no correlation to the movement in interest rates. We believe this trend will continue as long as the economy remains in recovery mode. The asset class' strong two-year returns are a testimony to the notion that convertible bonds should outperform in a rising rate environment and, unlike nearly all

price to free cash flow. As such, we expect convertible bond and stock prices to be higher in the coming twelve to eighteen months economy, and the relatively low rates of interest and inflation, stocks appear inexpensive based on various measures such as price to earnings, price to cash flow or We remain convinced that convertible bonds and equities are attractively valued in the current slow growth environment. Given the slowly improving macro

the majority of the stock market's advances, but less than half of any decline in the event that our outlook for equities is wrong Convertible bonds remain an excellent vehicle through which to participate in further equity advances. At current valuations, convertible bonds should participate in

¹Please note that security specific disclosures are representative and may not be included in your portfolio

strategy or investment product. Information contained herein has been obtained from sources believed to be reliable, but not guaranteed. No part of this document may be reproduced in any form, or referred to in any other publication, without express written permission of MacKay Shields LLC. ©2015, MacKay Shields LLC. This material contains the opinions of the Convertibles team of MacKay Shields LLC but not necessarily those of MacKay Shields LLC. The opinions expressed herein are subject to change without notice. This material is distributed for informational purposes only. Forecasts, estimates, and certain information contained herein are based upon proprietary research and should not be considered as investment advice or a recommendation of any particular security,

MACKAYSHIELDS

Portfolio Composition and Performance — Account 1256 February 28, 2015

Total Portfolio	Cash & Equivalents	Equity	Fixed Income	Composition
\$19,629,426	254,669	3,691,313	15,683,444	Market Value
100.00%	1.30	18.80	79.90	Percent of Total

ML CVT ALL IG 5% CAP	ML Convt inv Grade BDS (inc Mandatory)	Total Fund (Gross of fees)	Performance
2.24%	2.40%	2.59%	Latest Month
1.69%	0.86%	1.72%	Latest 3 Months
1.85%	1.63%	1.85%	Year To Date
10.94%	11.30%	9,57%	Latest 12 Months
12.14%	14.02%	10.80%	3 Years Annualized
N/A	10.88%	9.33%	5 Years Annualized
N/A	90.13%	115.53%	Since 10/1/2003
N/A	5.79%	6.95%	Annualized Since 10/1/2003

Expressed in USD

Past performance is not indicative of future results.

MACKAYSHIELDS

Summary Report — Account 1256 February 28, 2015

Total Portfollo	Accrued Income	Cash & Equivalents	Stocks	Bonds	
\$15,800,790		0	3,074,635	12,726,155	Total Cost
100.00%		0.00	19.46	80.54	Percent at Cost
1 88			2.72	1.42	Yield at Cost
\$19,629,426	54,476	254,669	3,678,788	15,641,494	Market Value
100.00%	0.28	1.30	18.74	79.68	Percent of Assets
135		0.09	2.28	1.16	Yleid at Market
\$264,975		229	83,712	181,034	Annual Income



Holdings Report — Account 1256 February 28, 2015

Shares				A.	ř C	Š		1	
2		Unit	Total	Current	Market	Percent		Annual	n P
Par Value	Security	Cost	Sec	77100	Agine	Ol Venera	2	100110	9
Bonds									
346,000	AIRTRAN HOLDINGS INC CONV BOND 5.250 11/01/2016	161.63	559,228	296.13	1,024,593	5.22	177	18,165	888
690,000	ALZA CORP CONV BOND 07/28/2020	81.14	559,876	141.19	974,194	4.96	0.00	0	AAA
480,000	ANTHEM INC (WELLPOINT INC) 2.750 10/15/2042	120.21	576,990	197.06	945,900	4.82	1.40	13,200	P
181,000	AOL INC 144A 0.750 09/01/2019	105.09	190,218	101.13	183,036	0.93	0.74	1,358	NR
303,000	APOLLO INVESTMENT CORP REG CONV BOND 5.750 01/15/2016	100.49	304,499	103.00	312,090	1.59	5.58	17,423	888
150,000	ARES CAPITAL CORP 4.750 01/15/2018	106.75	160,125	104.56	156,844	0.80	4.54	7,125	888
502,000	BANK OF AMERICA CORP 0.002 02/20/2018	109.39	549,138	107.69	540,579	2.75	0.00	t	NR
32,000	BROADSOFT INC 1.500 07/01/2018	96.88	31,000	105.81	33,860	0.17	1.42	480	NR
274,000	BROCADE COMMUNICATIONS 144A 1.375 01/01/2020	104.10	285,229	106.38	291,468	1.48	1.29	3,768	88+
169,000	CHART INDUSTRIES INC 2.000 08/01/2018	135.55	229,072	96,94	163,824	0.83	2.06	3,380	BB-
521,000	CITRIX SYSTEMS INC 144A 0.500 04/15/2019	105.65	550,429	104.31	543,468	2.77	0.48	2,605	888
142,000	CORNERSTONE ONDEMAND INC REG 1.500 07/01/2018	115.85	164,501	99.13	140,758	0.72	151	2,130	NR
419,000	DANAHER CORP CNV BND REG 01/22/2021	101.16	423,870	253.44	1,061,903	5.41	0.00	0	A +
127,000	GILEAD SCIENCES INC 1.625 05/01/2016	317.73	403,512	454.81	577,613	2.94	0.36	2,064	Ą
241,000	HELIX ENERGY SOLUTIONS CONV BOND REG 3.250 03/15/2032	122.89	296,155	101.69	245,067	1.25	3.20	7,833	NR
235,000	HOST HOTELS & RESORTS LP CNV BND 144A 2.500 10/15/2029	151.81	356,756	163.06	383,197	1.95	1.53	5,875	888
349,000	ILLUMINA INC 144A 06/15/2019	105.13	366,894	113.13	394,806	2.01	0.00	0	888-
79,000	INCYTE CORP LTD 0.375 11/15/2018	132.11	104,364	170.56	134,744	0.69	0.22	296	NR
59,000	INSULET CORPORATION REG 2.000 06/15/2019	100.00	59,000	99.63	58,779	0.30	2.01	1,180	NR
443,000	INTEL CORP CONV BND REG 3.482 12/15/2035	100.57	445,514	128.00	567,040	2,89	2.72	15,425	P
326,000	INTEL CORP CONV BOND 3.250 08/01/2039	126.86	413,573	165.38	539,124	2.75	1.97	10,595	Ą
83,000	INVENSEINC 1.750 11/01/2018	99.24	82,366	101.50	84,245	0.43	1.72	1,453	NR
218,000	LIVE NATION ENTERTAINMEN 144A 2.500 05/15/2019	103.61	225,860	107.38	234,078	1.19	2.33	5,450	NR
167,000	MACQUARIE INFRASTRUCTURE REG 2.875 07/15/2019	109.71	183,214	118.19	197,373	1.01	2.43	4,801	888-
384,000	MICROCHIP TECHNOLOGY INC 144A 1.625 02/15/2025	101.27	388,871	106.75	409,920	2.09	1.52	6,240	NR
291,000	NEWMONT MINING CONV BND REG 1.625 07/15/2017	121.45	353,418	103.94	302,458	1.54	1.56	4,729	888
48,000	NUANCE COMMUNICATIONS CONV BOND REG 2.750 11/01/2031	106.17	50,962	99.25	47,640	0.24	2.77	1,320	88-
25,000	QUIDEL CORP REG 3.250 12/15/2020	100.00	25,000	107.31	26,828	0.14	3.03	813	NR
368,000	RED HAT INC 144A 0.250 10/01/2019	100.00	368,000	118.88	437,460	2.23	0.21	920	888
450,000	RPM INTERNATIONAL INC REG 2.250 12/15/2020	121.14	545,151	121.38	546,188	2.78	1.85	10,125	-888
149,000	RTI INTERNATIONAL METALS REG 1.625 10/15/2019	103.90	154,805	99.06	147,603	0.75	1.64	2,421	NR.
170,000	SALESFORCE.COM INC 0.250 04/01/2018	111.38	189,338	121.63	206,763	1.05	0.21	425	NR.
556,000	SCHLUMBERGER 05/03/2015	136.47	758,773	148.89	827,828	4.22	0.00	0	NR

MACKAYSHIELDS

Holdings Report — Account 1256 February 28, 2015

Part	375	\$264,975	135	100.00%	\$19,629,426		\$16,055,459			Total Portfollo
DURNETTY CORP 144A 1.625 11/01/2019 LEFLEX INC CONV BOND REG 3.575 06/01/2017 100.00 100.01 100.00				0.28	54,476				Accrued Income	
Carriery	12		0.09	1.30	254,669		254,669			
Cash Total Carrent Mariet Percent	17		0.09	1.30	254,669	100	254,669	0.00	ents UNITED STATES DOLLAR 0.0900	Cash & Equival
Country Coun	~	83,7	2.28	18.74	3,678,788		3,074,635			
COLARITY Unit Total Current Maries Price Cert Coat Price Cert Price Cert Price Value of Assets Yeal Chard Price Value Of Assets Yeal Chard Price Value of Assets Yeal Of Assets Yeal Chard Yeal DLARCITY CORP 144A 1625 100,120 35,000 88.25 31,770 0.15 1.94 DLAR LARMAGEITHOALS CONV BOND DEGG 200,01/2/2021 100,00 72,000 393.81 65,535 4.11 3.98 0.71 WITTER INC 144A 2.000 09/15/2021 100,00 72,000 97.63 70,250 0.34 2.23 PRINT SYSTEMS WILL 1550 09/12/2021 105,14 229,64 114,38 282,506 1.44 1.31 PRINT SYSTEMS WILL 1550 103/12/2021 121,62 87,568 141,69 102,015 0.26 CIONIS PLC REG 120,01 121,62 138,068 1,026,00 191,662 <td></td> <td>4,3</td> <td>0.62</td> <td>3.40</td> <td>666,853</td> <td>1,212.46</td> <td>343,600</td> <td>624.73</td> <td>WELLS FARGO & COMPANY 7.500%</td> <td>550</td>		4,3	0.62	3.40	666,853	1,212.46	343,600	624.73	WELLS FARGO & COMPANY 7.500%	550
Duarentry Duar	9)	11	2.95	2.01	394,506	63.63	397,485	64.11	UNITED TECHNOLOGIES CORP CONV PFD	6,200
Durk Total Current Nearies Paront Pa			0.00	0.70	137,889	51.07	135,000	50.00	TYSON FOODS INC REG	2,700
COUNTRY COUNTRY Total Coeff Current Coeff Marriage Phice Percent Value Percent Value Percent Value Percent Value Value Percent Value Percent Value Percent Value Percent Value Percent Value Percent Value Percent Value Percent Value Percent Value			0.00	0.58	114,760	60.40	95,000	50.00	T-MOBILE US INC	1,900
Unit Total Current Percent	3	27,8	3.83	3.70	727,025	139.81	566,110	108.87	STANLEY BLACK & DECKER I CONV PFD UNITS	5,200
CALARCITY CORPE 144A 1625 11/01/2019 LUNITY Total Current Current Cox Namination of Price Percent Viola ELEFLEX INC CORVE BOND REG 3.875 08/01/2017 100.00 35.000 88.25 31,770 0.15 1.84 EL PELEX INC CORVE BOND REG 3.875 08/01/2021 101.42 182,550 199.13 356,535 1.83 1.95 EVA PHARMACEUTICALS CORVE BOND REG 1.000 05/15/2018 113.18 625,877 141.13 986,696 4.11 0.19 WITTER INC 144A 2.000 10/01/2021 100.00 72,000 93.81 67,545 0.34 2.13 WITTER INC 144A 0.250 08/15/2013 105.14 253,684 114.13 789,421 3.98 0.71 WITTER INC 144A 0.250 08/15/2013 105.14 253,684 114.33 282,506 1.44 1.31 WITTER INC 1500 08/15/2013 105.14 253,684 114.69 102,015 0.52 2.38 HERICAN TOROR 100.00 33.15 364,047 145.93 140,044 2.04 1.05 LIDAX INC 2.625 08/15/2017 105.68 138,083<			0.00	0.51	100,395	111.55	90,000	100.00	POST HOLDINGS INC 144A	900
CARDITY CORP 14AA 1525 11/01/2019 LUNK Total Care Cox Current Price Namination Price Percent Price ELEFLEX INC CONV BOND REG 3.875 08/01/2017 100.00 35,000 88.25 31,770 0.15 1.84 1.95 1.95 1.94 0.15 1.84 1.95 1.95 1.94 0.15 1.84 1.95 1.94 0.15 1.84 1.95 <t< td=""><td></td><td></td><td>0.00</td><td>0.26</td><td>50,710</td><td>50.71</td><td>50,000</td><td>50.00</td><td>MAIDEN HOLDINGS CNVPFD</td><td>1,000</td></t<>			0.00	0.26	50,710	50.71	50,000	50.00	MAIDEN HOLDINGS CNVPFD	1,000
COLARCITY CORP 144A 1625 11/01/2019 100,00 36,000 88.25 31,770 0.16 184 ELEPLEX INC CORN BOND REG 3.875 08/01/2017 100,00 36,000 88.25 31,770 0.16 184 ELEPLEX INC CORN BOND REG 3.875 08/01/2017 101,42 182,550 199,19 358,538 1.83 1.95 ELE PRICELINE GROUP INC CORN BOND REG 1.000 03/15/2018 113,18 625,877 141,13 780,421 3.98 0.71 NO INC 144A 2.000 10/01/2021 100,00 72,000 93,81 67,545 0.34 2,13 WITTER INC 144A 0.250 09/15/2019 100,514 259,884 114,33 282,506 4.14 0,19 WITTER INC 144A 0.250 09/15/2019 100,514 259,884 141,33 282,506 4.14 0,19 WITTER INC 144A 0.250 09/15/2019 100,14 259,884 141,43 282,506 4.14 0,19 WABAH NATIONAL CORPOR ONV BOND 3.375 05/01/2018 121,62 87,568 141,69 100,444 2.04 1.11 WABAH NATIONAL CORPOR CORP REG 100,14 100,00	ិ៍	3,1	4.76	0.35	68,219	68.22	50,000	50.00	HEALTH CARE REIT 6.500 CNV PFD	1,000
Unit Total Current Mariest Percent Coat Coat Coat Coat Coat Coat Coat Coa			0.00	0.61	119,250	132.50	90,000	100.00	FIAT CHRYSLER AUTOMOBILE REG 7.875 12/15/2016	900
Unit Total Current Mariest Percent Value Coat 1,01,2019 OLARCITY CORP 144A 1,625 11,01,2019 ELEFLEX INC CONV BOND REG 3875 08/01,2017 ELEFLEX INC CONV BOND REG 1,000 03/15/2018 HE PRICELINE GROUP INC CONV BOND REG 1,000 03/15/2018 FINAL PHARMACEUTICALS CONV BOND REG 1,000 03/15/2018 FINAL PHARMACEUTICALS CONV BOND REG 1,000 03/15/2018 FINAL PHARMACEUTICALS CONV BOND REG 1,000 03/15/2018 FINAL PRICELINE GROUP INC CONV BOND REG 1,000 03/15/2018 FINAL PRICELINE GROUP INC CONV BOND REG 1,000 03/15/2018 FINAL PRICELINE GROUP INC CONV BOND REG 1,000 03/15/2018 FINAL PRICELINE GROUP INC CONV BOND REG 1,000 03/15/2018 FINAL PRICELINE GROUP INC CONV BOND REG 1,000 03/15/2018 FINAL PRICELINE GROUP INC CONV BOND REG 1,000 03/15/2018 FINAL PRICELINE GROUP INC CONV BOND 3,15/2019 FINAL PRICELINE GROUP INC CONV BOND 3,15/2019 FINAL PRICELINE GROUP INC CONV BOND REG 1,000 03/15/2018 FINAL PRICELINE GROUP INC CONV BOND REG 1,000 03/15/2018 FINAL PRICELINE GROUP INC CONV BOND REG 1,000 03/15/2018 FINAL PRICELINE GROUP INC CONV BOND REG 1,000 03/15/2018 FINAL PRICELINE GROUP INC CONV BOND REG 1,000 03/15/2018 FINAL PRICELINE GROUP INC CONV BOND REG 1,000 03/15/2018 FINAL PRICELINE GROUP INC CONV BOND REG 1,000 03/15/2018 FINAL PRICELINE GROUP INC CONV BOND REG 1,000 03/15/2018 FINAL PRICELINE GROUP INC CONV BOND REG 1,000 03/15/2018 FINAL PRICELINE GROUP INC CONV BOND REG 1,000 03/15/2018 FINAL PRICELINE GROUP INC CONV BOND REG 1,000 03/15/2018 FINAL PRICELINE GROUP INC CONV BOND REG 1,000 03/15/2018 FINAL PRICELINE GROUP INC CONV BOND REG 1,000 03/15/2018 FINAL PRICE ROUP INC CONV BOND REG 1,000 03/15/2018 FINAL PRICE ROUP INC CONV BOND REG 1,000 03/15/2018 FINAL PRICE ROUP INC CONV BOND REG 1,000 03/15/2018 FINAL PRICE ROUP INC CONV BOND REG 1,000 03/15/2018 FINAL PRICE ROUP INC CONV BOND REG 1,000 03/15/2018 FINAL PRICE ROUP INC CONV BOND REG 1,000 03/15/2018 FINAL PRICE ROUP INC CONV BOND REG 1,000 03/15/2018 FINAL PRICE ROUP INC CONV BOND REG 1,000 03/15/2018 FINAL PRICE ROUP INC CONV BO			0.00	1.95	383,400	106.50	368,139	102.26	CROWN CASTLE INTL CORP	3,600
COUNTRY COUNTRY Total Current Current Country Marriest Personn Personn CLARCITY CORP 144A 1.625 11/01/2019 100.00 36,000 88.25 31,770 0.15 1.84 ELEFLEX INC CONV BOND REG 3.875 08/01/2017 101.42 182,550 199.19 358,538 1.33 1.95 EVA PHARMACEUTICALS CONV BOND REG 1.000 03/15/2018 113.18 670,730 135.13 806,696 4.11 0.19 WO INC 144A 2.000 10/01/2021 100.00 72,000 93.81 675,45 0.34 2.13 WO INC 144A 2.000 09/15/2019 105.14 259,684 114.39 70,290 93.81 675,45 0.34 2.13 WO INC 144A 2.000 09/15/2019 105.14 259,684 114.39 70,290 0.36 0.26 WITTER INC 1440 0.250 09/15/2013 105.14 259,684 114.39 282,506 1.44 1.31 WITTER INC 1440 0.00 06/01/2021 105.14 259,684 114.39 282,506 1.44 1.31 WID 1440 0.00 0.00 0.00 0.00 0.00 0.00 0.00	S	36,1	6.20	2.97	583,830	1,170.00	561,238	1,124.73	BANK OF AMERICA 7.250%	499
Countity Unit Todal Current Market Percent Countity Coot Coot Price Value Of Assetts Price OLARCITY CORP 144A 1.625 11/01/2019 100.00 36,000 88.25 31,770 0.16 1.84 ELEFLEX INC CONV BOND REG 3.875 08/01/2017 101.42 182,550 199.19 358,538 1.83 1.95 EVA PHARMACEUTICALS CONV BOND REG 1.000 03/15/2018 113.18 623,977 141.13 780,421 9.85 4.11 0.19 EVA PHARMACEUTICALS CONV BOND REG 1.000 03/15/2018 113.18 623,977 141.13 780,421 9.35 4.11 0.19 EVA PHARMACEUTICALS CONV BOND REG 1.000 03/15/2018 113.18 623,977 141.13 780,421 9.34 0.71 WITCH INC 144A 2.000 10/01/2021 100.00 72,000 97,63 67,545 0.34 2.13 WITTER INC 144A 0.250 09/15/2019 105.14 259,684 114.88 282,506 144 131 WITTER INC 2.641A 0.000 06/01/2021 124,62 87,568	×		1.25	0.27	52,969	105.94	50,000	100.00	AMERICAN TOWER CORP REG	500
CUMITY Total Current Marriest Percent COLARCITY CORP 144A 1.625 11/01/2019 100.00 36,000 88.25 31,770 0.16 1.84 ELEFELX INC CONV BOND REG 3.875 08/04/2017 101.42 182,550 199.19 358,538 1.83 1.95 ENA PHARMACEUTICALS CONV BOND 0.250 02/01/2026 112.35 670,730 135.13 806,696 4.11 0.19 HE PRICELINE GROUP INC CONV BOND REG 1.000 03/15/2018 113.18 625,877 141.13 780,421 3.98 0.71 VO INC 144A 2.000 10/01/2021 100.00 72,000 93.81 67,545 0.34 2.13 WITTER INC 144A 0.250 09/15/2019 105.14 259,684 114.38 282,506 1.44 1.31 ERINT SYSTEMS INC 1.500 06/01/2021 105.14 259,684 114.83 282,506 1.44 1.31 ABASH NATIONAL CORP CONV BOND 3.375 05/01/2018 134.83 364,047 148.31 400,444 2.04 2.78 LILINX INC 2.625 06/15/2017 134.83 134.83 1,026.00 191,862			0.00	0.44	87,120	48.40	90,000	50.00	ALCOA INC	1,800
COUNTRY COUNTRY Total Current Marriest Percent COLARCITY CORP 144A 1.625 11/01/2019 100.00 36,000 88.25 31,770 0.16 1.84 ELEFLEX INC CONV BOND REG 3.875 08/01/2017 101.42 182,550 199,19 358,538 1.83 1.95 EVA PHARMACEUTICALS CONV BOND REG 1.000 03/15/2018 112.35 670,730 135.13 806,696 4.11 0.19 HE PRICELINE GROUP INC CONV BOND REG 1.000 03/15/2018 113.18 625,877 141.13 780,421 3.98 0.71 VO INC 144A 2.000 10/01/2021 100.00 72,000 93.81 67,545 0.34 2.13 WITTER INC 144A 0.250 09/15/2019 105.14 259,684 114.38 282,506 1.44 1.31 ANABASH NATIONAL CORP CONV BOND 3.375 05/01/2018 121.62 87,568 144.69 102,045 0.52 2.38 LIUNX INC 2.625 06/15/2017 134.83 364,047 148.31 400,444 2.04 1.77 ANABASH NATIONAL CORP CONV BOND 3.375 05/01/2018 134.83 32,726,155 <			0.00	0.98	191,862	1,026.00	188,063	1,005.68	ACTAVIS PLC REG	187
Unity Total Current Warriest Percent Yold Coct Coct Price Price Yold										Stocks
Countity Unit Total Current Marriest Percent Cock Cock Price Value Off Assets Yield 0LARCITY CORP 144A 1.625 11/01/2019 100.00 36,000 88.25 31,770 0.16 1.84 ELEHEX INC CONV BOND REG 3.875 08/01/2017 101.42 192,550 199.19 358,538 1.83 1.95 EVA PHARMACEUTICALS CONV BOND REG 1.000 03/15/2018 112.35 670,730 135.13 806,696 4.11 0.19 HE PRICELINE GROUP INC CONV BOND REG 1.000 03/15/2018 113.18 625,877 141.13 780,421 3.98 0.71 NO INC 144A 2.000 10/01/2021 100.00 72,000 93.81 67,545 0.34 2.13 WITTER INC 144A 0.250 09/15/2019 105.14 259,684 114.38 282,506 4.41 0.19 ABASH NATIONAL CORP CONV BOND 3.375 05/01/2018 121.62 87,568 141.69 102,015 0.52 2.38 ILINX INC 2.625 06/15/2017 134.83 364,047 148.31 400,444 2.04 1.	7.	181,0	1.16	79.68	15,641,494		12,726,155			
COUNTRY Unit Total Current Mariest Percent COSET COSET Price Value Off Assetts Yield OLARCITY CORP 144A 1.625 11/01/2019 100.00 36,000 88.25 31,770 0.16 1.84 ELEFLEX INC CONV BOND REG 3.875 08/01/2017 101.42 182,550 199.19 358,538 1.83 1.95 EVA PHARMACEUTICALS CONV BOND REG 1.000 03/15/2018 113.18 670,730 135.13 806,696 4.11 0.19 HE PRICELINE GROUP INC CONV BOND REG 1.000 03/15/2018 113.18 625,877 141.13 780,421 3.98 0.71 NO INC 144A 2.000 10/01/2021 100.00 72,000 93.81 67,545 0.34 2.13 WITTER INC 144A 0.250 09/15/2019 105.14 259,684 114.38 282,506 1.44 1.31 ABASH NATIONAL CORP CONV BOND 3.375 05/01/2018 121.62 87,568 144.69 102,015 0.52 2.38	ıκ	7,0	177	2.04	400,444	148.31	364,047	134.83	XILINX INC 2.625 06/15/2017	270,000
COUNTRY Unit Total Current Market Percent COORT COORT COORT Price Value of Assetts Yield OLARCITY CORP 144A 1.625 11/01/2019 100.00 36,000 88.25 31,770 0.16 1.84 ELFLEX INC CONV BOND REG 3.875 08/01/2017 101.42 182,550 199.19 358,538 1.83 1.95 EVA PHARMACEUTICALS CONV BOND 0.250 02/01/2026 112.35 670,730 135.13 806,696 4.11 0.19 HE PRICELINE GROUP INC CONV BOND REG 1.000 03/15/2018 113.18 625,877 141.13 780,421 3.98 0.71 NO INC 144A 2.000 10/01/2021 100.00 72,000 93.81 67,545 0.34 2.13 WITTER INC 144A 0.250 09/15/2019 105.14 259,684 114.38 282,506 1.44 1.31	65	2,4	2.38	0.52	102,015	141.69	87,568	121.62	WABASH NATIONAL CORP CONV BOND 3.375 05/01/2018	72,000
Countity Unit Total Current Market Percent Coet Coet Coet Price Value of Assets Yield 0LARCITY CORP 144A 1.625 11/01/2019 100.00 36,000 88.25 31,770 0.16 1.84 ELEFLEX INC CONV BOND REG 3.875 08/01/2017 101.42 182,550 199.19 358,538 1.83 1.95 EVA PHARMACEUTICALS CONV BOND 0.250 02/01/2026 112.35 670,730 135.13 806,696 4.11 0.19 HE PRICELINE GROUP INC CONV BOND REG 1.000 03/15/2018 113.18 625,877 141.13 780,421 3.98 0.71 VO INC 144A 2.000 10/01/2021 100.00 72,000 93.81 67,545 0.34 2.13 WITTER INC 144A 0.250 09/15/2019 100.00 72,000 97.63 70,290 0.36 0.26	õ	3,7	1.31	144	282,506	114.38	259,684	105.14	VERINT SYSTEMS INC 1.500 06/01/2021	247,000
Countity Unit Total Current Market Percent Coet Coet Coet Price Value of Assets Yield 0LARCITY CORP 144A 1.625 11/01/2019 100.00 36,000 88.25 31,770 0.16 1.84 ELEFLEX INC CONV BOND REG 3.875 08/01/2017 101.42 182,550 199.19 358,538 1.83 1.95 EVA PHARMACEUTICALS CONV BOND 0.250 02/01/2026 112.35 670,730 135.13 806,696 4.11 0.19 HE PRICELINE GROUP INC CONV BOND REG 1.000 03/15/2018 113.18 625,877 141.13 780,421 3.98 0.71 YO INC 144A 2.000 10/01/2021 100.00 72,000 93.81 67,545 0.34 2.13	00	14	0.26	0.36	70,290	97.63	72,000	100.00	TWITTER INC 144A 0.250 09/15/2019	72,000
Country Unit Total Current Market Percent Coet Coet Coet Price Value of Assets Yield 0LARCITY CORP 144A 1.625 11/01/2019 100.00 36,000 88.25 31,770 0.16 1.84 ELEFLEX INC CONV BOND REG 3.875 08/01/2017 101.42 182,550 199.19 358,538 1.83 1.95 EVA PHARMACEUTICALS CONV BOND 0.250 02/01/2026 112.35 670,730 135.13 806,696 4.11 0.19 HE PRICELINE GROUP INC CONV BOND REG 1.000 03/15/2018 113.18 625,877 141.13 780,421 3.98 0.71	Z	14	2.13	0.34	67,545	93.81	72,000	100.00	TIVO INC 144A 2.000 10/01/2021	72,000
Country Unit Total Current Market Percent Coet Coet Coet Price Value of Assets Yield 0LARCITY CORP 144A 1.625 11/01/2019 100.00 36,000 88.25 31,770 0.16 1.84 ELEFLEX INC CONV BOND REG 3.875 08/01/2017 101.42 182,550 199.19 358,538 1.83 1.95 EVA PHARMACEUTICALS CONV BOND 0.250 02/01/2026 112.35 670,730 135.13 806,696 4.11 0.19	ω	ຸຕຸ	0.71	3.98	780,421	141.13	625,877	113.18	THE PRICELINE GROUP INC CONV BOND REG 1.000 03/15/2018	553,000
Country Unit Total Current Market Percent Coet Coet Price Value of Assetts Yield OLARCITY CORP 144A 1.625 11/01/2019 100.00 36,000 88.25 31,770 0.16 1.84 ELEFLEX INC CONV BOND REG 3.875 08/01/2017 101.42 182,550 199.19 358,538 1.83 1.95	Ģ	<u>+</u> 4	0.19	4.11	806,696	135.13	670,730	112.35	TEVA PHARMACEUTICALS CONV BOND 0.250 02/01/2026	597,000
Unit Total Current Market Percent Coet Coet Price Value of Assets Yield OLARCITY CORP 144A 1.625 11/01/2019 100.00 36,000 88.25 31,770 0.16 1.84	7	6,9	1.95	1.83	358,538	199.19	182,550	101.42	TELEFLEX INC CONV BOND REG 3.875 08/01/2017	180,000
Security Unit Total Current Market Percent Cost Cost Price Value of Assets Yield	Ç0	(h	1.84	0.16	31,770	88.25	36,000	100.00	ed) SOLARCITY CORP 144A 1.625 11/01/2019	Bonds (Continue 36,000
Unit Total Current Market Percent	3	Inoo	TIOIC	of Assets	Value	P/8	Coet	Coet	Security	Par Value
	8	Ann	:	Percent	Market	Current	Total	Unit		07

MACKAYSHIELDS

Purchases Report — Account 1256

Month Ending February 28, 2015

Average Cost 1,005.68 1/2018 2.875 7/15/2019 1.625 2/15/2025 101.27	02/06/15 - 02/12/15 384,000 MICROCHIP TECHNOLOGY INC 144A 1.625 2/15/2025	02/12/15 502,000 BANK OF AMERICA CORP 0.003 2/20/2018 02/11/15 99,000 MACQUARIE INFRASTRUCTURE REG 2.875 7/15/2019	Purchases 02/25/15 - 02/26/15 187 ACTAVIS PLC REG	Trade Quantity Security Date (Units) Description
			1,005.68	Average Cost

MACKAYSHIELDS

Sales Report — Account 1256 Month Ending February 28, 2015

	Trade
(Units)	Quantity
Description	Security
Cost	Unit
Proceeds	Total
ຄ	

Total Sales	02/09/15	02/06/15	Sell Long	Trade Date
	161,000	82,000		Quantity (Units)
	SALESFORCE.COM INC 0.250 4/1/2018	MICROCHIP TECHNOLOGY CONV BOND REG 2.125 12/15/2037		Security Description
	111.38	136.31		Unit Cost
\$338,478.44	180,207.78	158,270.66		Total Proceeds
\$47,391.26	894.03	46,497.23		Realized Gain/Loss



>Abel/Noser Corp. One Battery Park Plaza, New York, NY 10004-1405 phone:646.432.4000 800.322.2610 fax: 212.363.7571 website: www.abelnoser.com>

Date 3/16/2015 Page 1 of 1

Commission Program Review Rep: MARY DAVIDSON

Ms. Crystal Herbert Bay County Financial Officer Bay County Retirement System 515 Center Avenue Suite 701 Bay City, MO 48708

Month Summary: BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

Period: February 1, 2015 To February 28, 2015

	February 2015	Year To Date
Opening Balance:	\$3.00 *cr	\$3.00*cr
Commission:	\$41.00	\$68.50
Credit:	\$0.00	\$0.00
Payments:	\$0.00	\$0.00
Adjustments:	\$0.00	\$0.00
Ending Balance:	\$3.00 <i>cr</i>	\$3.00cr
*Previous Year's closing balance		

Manager Commission Summary

		February 2015 Commission	February 2015 <u>Credit</u>	Year to Date Commission	Year to Date <u>Credit</u>
HOTCHKIS & WILEY		\$41.00	\$0.00	\$68.50	\$0.00
	Total:	\$41.00	\$0.00	\$68.50	\$0.00

Are you considering making a portfolio change soon? Contact your Abel Noser representative or Transitions@abelnoser.com for information about our Transition Service which was rated #1 in the 'Overall Service' category in the 2013 aiCIO Global TM Survey.



214.720.0055 800.247.6729

Founded 1977 Member NYSE, FINRA, NFA, SIPC

Bay County Employees' Ret. Sys.

CAPIS Account: 10263

Settlement Month Ending: 2/28/2015

COMMISSION ALLOCATION

TOTAL COMMISSION

Beginning Balance

U.S. Equity

International Fixed Income

Fixed Income International Equity

Phone: (214) 978-4778 Account Executive: Jon Lantz Total

Correspondent Broker/Dealer

Directed Execution Recapture Subtotals

U.S. Correspondent Equity

Foreign Currency

Syndicates

Futures Options New Issues

Phone: (214) 978-4743 Sales Assistant: Christilla Moreno

Balance as of 2/28/2015

Total Redeemed Total Earned

\$ 250.17

\$ 250.17 \$ 380.62 \$ 250.17

\$ 181.60 \$ 0.00

Page 1



214.720.0055 800.247.6729

Founded 1977 Member NYSE, FINRA, NFA, SIPC

Bay County Employees' Ret. Sys.

CAPIS Account: 10263

Settlement Month Ending: 2/28/2015

Payment from Segregated Account	Summary of Segregated Account Detail
February \$ 0.00	
\$ 380.62 \$ 380.62	

Grand Total \$ 0.00	Payment from Segregated Account Total \$ 0.00	December 2014 Commission Recapture 298802Bay Count 01/16/2015	Payment from Segregated Account	Service Service Comments/Notes Vendor Invoice # Date Paid February	Segregated Account Detail
\$ 0.00					
	0 \$ 380.62			Prior Months	
\$ 380.62	\$ 380.62			Ą	
				Mixed Use %	

50

Account Executive: Jon Lantz

Phone: (214) 978-4778

Sales Assistant: Christilla Moreno

Page 2

Phone: (214) 978-4743



> 214.720.0055 800.247.6729

Founded 1977 Member NYSE, FINRA, NFA, SIPC

Bay County Employees' Ret. Sys.

CAPIS Account: 10263

Settlement Month Ending: 2/28/2015

Execution Total	Total for U.S. Equity	02/10/2015	U.S. Equity	Trade Date	Execution		
Total	S. Equity	02/13/2015		Stimt Date	Execution Trade Blotter	U.S. Equity	Summary of Execution by Security Type
		02/12/2015		Post Date		₹	xecution by
		S		Side			Security
2,024	2,024	2,024 NPSP		Shares			Туре
		NPSP		Ticker		11	
		NPS PHARMACEUTICLS INC		Security Description		\$20.24 \$20.24	
		3PF07W51		Brokerage Account Number			
		05231100 BAY CITY EMP RET		Brokerage Account Name		\$20.24 \$ 20.24	YH .
1		45.8733		Price Co			
	\$20.24	20.24		Commission			

Account Executive: Jon Lantz

Phone: (214) 978-4778

Sales Assistant: Christilla Moreno

Phone: (214) 978-4743

Page 3



214.720.0055 800.247.6729

Founded 1977 Member NYSE, FINRA, NFA, SIPC

Bay County Employees' Ret. Sys.

CAPIS Account: 10263

Settlement Month Ending: 2/28/2015

\$ 250.17	\$ 181.60	\$ 438.98	\$ 304.60	12,300	
87.90	87.90	117.20	117.20	2,930	Geneva Capital Management LLC
140.22	93.70	280.44	187.40	9,370	Eagle Asset Management
\$22.05	\$0.00	\$41.34	\$0.00	0	Columbia Management Advisors
ALD	February	YTD	February	Shares	
ocation	Recapture Allocation	on	Commission		
				1 () () () () () () () () () (
				ger	Summary of Directed Commission by Manager

Commission

Recapture Allocation

Recapture Commission Activity	mission Activi	Ų								
Trade Date	Stimt Date	Post Date	Side	Shares	Ticker	Security Description	Brokerage Account Number	Brokerage Account Name	Ex Brkr	Price
Eagle Asset Management	gement									
01/28/2015	02/02/2015	01/29/2015	œ	3,835 CTIC	CTIC	CTI BIOPHARMA CORP	3PF07W51	05231100 BAY CITY	CAPIS	2.2249
01/28/2015	02/02/2015	01/29/2015	S	1,124 MDAS	MDAS	MEDASSETS INC	3PF07W51	05231100 BAY CITY	CAPIS	18.5000
02/04/2015	02/09/2015	02/05/2015	Ø	1,695 EFII	땀	ELECTRONICS FOR IMAGING	3PF07W51	05231100 BAY CITY	CAPIS	38,4991
02/05/2015	02/10/2015	02/06/2015	œ	809 SSYS	SSYS	STRATASYSLTD	3PF07W51	05231100 BAY CITY	CAPIS	59.9765
02/13/2015	02/19/2015	02/14/2015	S	1,907 ALLT	ALLT	ALLOT COMMUNICATIONS LTD 3PF07W51	3PF07W51	05231100 BAY CITY	CAPIS	9,1492
Total for Eagle Asset Management	set Management	•		9,370						
Geneva Capital Management LLC	anagement LLC									
02/02/2015	02/05/2015	02/03/2015	œ	2,006 FAST	FAST	FASTENAL COMPANY	3PF07V33	244 BAY COUNTY	CAPIS	44.2824
	02/05/2015	02/03/2015	S	924 PLL	PL	PALL CORP PV \$0.10	3PF07V33	244 BAY COUNTY	CAPIS	96.8440
Total for Geneva Capital Management LLC	Capital Managem	ent LLC		2,930						
Recapture Trade Total	Total			12,300						
										1

\$ 187.40

\$ 93.70

16.18 38.14

19.07

76.70 22.48 33.90

16.95 8.09 38.35

11.24

80.24

60.18

36.96

\$ 117.20 \$ 304.60

\$ 181.60

27.72 \$ 87.90

Account Executive: Jon Lantz

Phone: (214) 978-4778

Sales Assistant: Christilla Moreno Phone: (214) 978-4743

Page 4



214.720.0055 800.247.6729

Founded 1977 Member NYSE, FINRA, NFA, SIPC

Settlement Month Ending: 2/28/2015

Bay County Employees' Ret. Sys.

CAPIS Account: 10263

Summary of Activity by Month							
	Commission	sion	Recapture Allocation	Jocation	Redeemed Recapture	Recapture	Balance
	Month	Ą	Month	ALA	Month	ALA	
Beginning Balance							\$ 380.62
January	\$134.38	\$134.38	\$68.57	\$68.57	\$380.62	\$380.62	\$68.57
February	324.84	459.22	181.60	250.17	.00	380.62	250,17
							The state of the s

Phone: (214) 978-4778 Account Executive: Jon Lantz

Sales Assistant: Christilla Moreno Phone: (214) 978-4743



Dallas, Texas 75201 1601 Elm Street, Suite 3900

214.720.0055 800.247.6729

Member NYSE, FINRA, NFA, SIPC Founded 1977

Settlement Month Ending: 2/28/2015

Bay County Employees' Ret. Sys

CAPIS Account: 10263

Explanation of Your Statement

for both the month and the year-to-date. Commission Allocation is the amount applicable to Execution and Research/Recapture Total Commission is a summary of brokerage transactions by security type. The

during the current month. vendor invoice number, date paid, and the percentage allocated for mixed-use payments Allocation for Research, including service period covered, any comments or notes, Research Payment Detail recaps by vendor the payments made from the Commission

Payment from Segregated Account summarizes the year-to-date disbursements made based on the Commission Allocation for Recapture.

Trade Blotter shows the monthly detail of all brokerage transactions based on trade or settlement date and the corresponding Commission and Research/Recapture Allocation.

based on trade or settlement date. Execution Only Trade Blotter shows the monthly detail of all brokerage transactions

Directed Commission Reports show all trades executed for or by CAPIS at the who has directed trades for the period. providing direction. The plan sponsor's statement provides a listing for each manager direction of a plan sponsor. The manager's statement is a listing by each plan sponsor

Transition Statement will only be included if a change is made in reporting from Trade Date to Settlement Date or the reverse. This report is a summary of any transactions that fall into the transition period between the Trade Date and Settlement Date and vice

Research Commission Allocation

clients for commission generated through transactions. CAPIS reserves the right to redeemable in cash. CAPIS provides third-party research and brokerage services to The Commission Allocation for Research is not a contractual liability of CAPIS and is not refuse payment of any invoice.

> and final settlement date. balance could be higher or lower depending upon account activity between month end date. If your statement is based on trade date detail, your Commission Allocation The Commission Allocation for Research and Recapture is calculated on settlement

Statement Online

from your CAPIS Account Executive. This statement may be viewed online by logging into the Concourse portal at www.capis.com. If you do not have a login ID or password, one can be obtained

Our current financial statement is available online at www.capis.com. Additionally, this statement is available for your personal inspection at our offices or a copy will be mailed upon your written request.

Also available online or upon written request are our policies regarding the following programs: Customer Identification Program, Privacy Policy, Reg NMS 606 Report, SIPC Notification, Payment for Order Flow Practices, and Extended Hours Trading.

statement. In order to protect your rights, including those under the Securities Investors Protection Act (SIPA), all oral communications regarding discrepancies must be reconfirmed in writing to the following address: Please advise CAPIS promptly of any inaccuracies or discrepancies in your account

1601 Elm Street, Suite 3900 Attention: Compliance Dallas, TX 7520 Capital Institutional Services, Inc

Phone: (214) 978-4778

Securities Lending

Summary Earnings Report for MR

2618668,2608694,2663296,2695063,2622536,2653308,26

US FIXED

US EQUITY

GLOBAL FIXED

GLOBAL EQUITY

From Feb 1, 2015 To Feb 28, 2015

Page 1 of 6

TOTAL

OPEN CASH TERM CASH NON CASH DEAL STOCKS EXCLUSIVES GROSS EARNINGS TOTAL REBATES COMMISSIONS CLIENT EARNINGS BANK FEES NET INCOME	ACCOUNT NAME : 2608694 ACCOUNT NAME :*BAYCO - COLUMBIA MANAGEMENT CURRENCY : USD OPEN CASH TERM CASH NON CASH DEAL STOCKS EXCLUSIVES GROSS EARNINGS TOTAL REBATES COMMISSIONS CLIENT EARNINGS BANK FEES NET INCOME ACCOUNT NUMBER : 2618668 ACCOUNT NAME :*BAYCO - BAIRD SL CURRENCY : USD
1,856.97 0,00 0,00 0,00 0,00 1,856.97 1,051.40 0,00 0,00 805.57 322.15 483.42	A MANAGEMENT 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0
0.00 0.00 0.00 0.00 0.00 0.00 0.00	1,876.52 128.59 0.00 0.00 2,005.11 178.61 0.00 1,826.50 730.26 1,096.24
0.00 0.00 0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00 0.00
0.00 0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00
1,856.97 0.00 0.00 0.00 0.00 1,856.97 1,051.40 0.00 805.57 322.15 483.42	1,876.52 128.59 0.00 0.00 2,005.11 178.61 0.00 1,826.50 730.26 1,096.24

Securities Lending

Summary Earnings Report for MR

2618668,2608694,2663296,2695063,2622536,2653308,26 From Feb 1, 2015 To Feb 28, 2015

US FIXED

US EQUITY

GLOBAL FIXED

GLOBAL EQUITY

Page 2 of 6

TOTAL

NET INCOME	BANK FEES	CLIENT EARNINGS	CONTRIBUTION	COMMISSIONS	TOTAL REBATES	GROSS EARNINGS	EXCLUSIVES	DEAL STOCKS	NON CASH	TERM CASH	OPEN CASH	CURRENCY : USD	ACCOUNT NAME : *BAYC	ACCOUNT NUMBER: 2622536	NET INCOME	BANK FEES	CLIENT EARNINGS	COMMISSIONS	TOTAL REBATES	GROSS EARNINGS	EXCLUSIVES	DEAL STOCKS	NON CASH	TERM CASH	OPEN CASH	CURRENCY : USD	ACCOUNT NAME : *BAYC	ACCOUNT NUMBER: 2622490
0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		: *BAYCO - HOTCHKIS & WILEY -SL	36	1,268.25	844.88	2,113.13	0.00	-1,082.42	1,030.71	0.00	0.00	85.17	0.00	945.54		: *BAYCO - MACKAY SHIELDS -SL	90
589.69	388,68	9/8.3/	078 37	0.00	51.63	1,030.00	0.00	0.00	1.03	0.00	1,028.97				60.62	40.25	100.87	00,0	8.42	109.29	0.00	0.00	0.00	0.00	109.29			
0.00	0.00	9 6	200	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
126.07	66.70	83 00	an enc	0.00	9.34	218.40	0.00	0.00	0.00	0.00	218,40				ය. සෙ	2.51	6.39	0.00	0.41	6.80	0,00	0.00	0.00	0.00	6.80			
/15./6	4/ 1.0/	171.67	1 187 43	0.00	60.97	1,248.40	0.00	0.00	2.00	1.00	1,247.37				1,332.75	887.54		_	-1,073.59		0.00	0.00	85.17	0,00	1,061.63			

* Generated on 07 Apr 15 08:39 No.60525

Securities Lending
Summary Earnings Report for MR
2618668,2608694,2663296,2695063,2622536,2653308,26
From Feb 1, 2015 To Feb 28, 2015

US FIXED

US EQUITY

GLOBAL FIXED

GLOBAL EQUITY

TOTAL

Page 3 of 6

Securities Lending

Summary Earnings Report for MR

2618668,2608694,2663296,2695063,2622536,2653308,26

US FIXED

US EQUITY

GLOBAL FIXED

GLOBAL EQUITY

From Feb 1, 2015 To Feb 28, 2015

Page 4 of 6

TOTAL

0.00 1.44 0.00 0.00 81.81 -13.68 0.00 95.49 38.12 57.37 0.00 0.00 0.00 0.00 0.00 0.00 0.00	
--	--

Securities Lending

Summary Earnings Report for MR

2618668,2608694,2663296,2695063,2622536,2653308,26 From Feb 1, 2015 To Feb 28, 2015

US FIXED

US EQUITY

GLOBAL FIXED

GLOBAL EQUITY

Page 5 of 6

TOTAL

GROSS EARNINGS TOTAL REBATES COMMISSIONS CLIENT EARNINGS BANK FEES NET INCOME	ASH ASH OCKS	CLIENT EARNINGS BANK FEES NET INCOME ACCOUNT NUMBER: 2695063 ACCOUNT NAME: *BAYCO - EAGLE ASSET -SL CURRENCY: USD	OPEN CASH TERM CASH NON CASH DEAL STOCKS EXCLUSIVES GROSS EARNINGS TOTAL REBATES COMMISSIONS	ACCOUNT NUMBER: 2683854 ACCOUNT NAME: *BAYCO - MFS INVESTMENTS -SL CURRENCY: USD
0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00	0.00 0.00	0.00 0.00 0.00 0.00 0.00	F
1,434.13 -245.00 0.00 1,679.13 668.71 1,010.42	1,350.30 75.93 7.90 0.00	1,721.91 687.94 1,033.97	1,742.23 7.13 73.94 0.00 0.00 1,823.30 101.39 0.00	
0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00	0.00 0.00	0.00 0.00 0.00 0.00	
24.65 -50.63 0.00 75.28 29.98 45.30	24.65 0.00 0.00 0.00	316.12 126.28 189.84	332.69 0.00 0.00 0.00 0.00 332.69 16.57 0.00	
1,458.78 -295.63 0.00 1,754.41 698.69 1,055.72	1,374,95 75.93 7,90 0.00	2,038.03 814.22 1,223.81	2,074.92 7.13 73.94 0.00 0.00 2,155.99 117.96 0.00	

Securities Lending

Summary Earnings Report for MR

2618668,2608694,2663296,2695063,2622536,2653308,26

From Feb 1, 2015 To Feb 28, 2015

Page 6 of 6

The same services of the same services and the same services are the same services and the same services and the same services are t	US FIXED US EQUITY GLOBAL FIXED	
	GLOBAL EQUITY	
	TOTAL	

GRAND TOTAL
CURRENCY

: USD

NET INCOME	BANK FEES	CLIENT EARNINGS	COMMISSIONS	TOTAL REBATES	GROSS EARNINGS	EXCLUSIVES	DEAL STOCKS	NON CASH	TERM CASH	OPEN CASH
2,405.88	1,601.94	4,007.82	0.00	-28.19	3,979.63	0.00	0.00	105.28	0.00	3,874.35
6,687.67	4,441.75	11,129.42	0.00	416.16	11,545.58	0.00	0.00	89.65	264.79	11,191.14
552.81	368.00	920.81	0.00	411.70	509.11	0.00	0.00	22.91	0.00	486.20
490.33	325.05	815.38	0.00	-29.21	786.17	0.00	0.00	1.44	0,00	784.73
10,136.69	6,736.74	16,873.43	0.00	-52.94	16,820.49	0.00	0.00	219.28	264,79	16,336.42

60

to assist clients with their financial reporting needs, but you must consult with your accountants, auditors and/or legal counsel to ensure your accounting and financial reporting complies with applicable laws, regulations and accounting guidance. The Northern Trust Company and its affiliates shall have no responsibility for the consequences of investment decisions made in reliance on information contained in this report. categorized or otherwise reported based upon client direction. The Northern Trust Company does not guarantee the accuracy, timeliness or completeness of any such information. The information included in this report is intended Although this report has been prepared using information believed to be reliable, it may contain information provided by third parties or derived from third party information, and/or information that may have been obtained from,

IRS CIRCULAR 230 NOTICE: To the extent that this message or any attachment concerns tax matters, it is not intended to be used and cannot be used by a taxpayer for the purpose of avoiding penalties that may be imposed by law. For more information about this notice, see http://www.northerntrust.com/circular/230.

REFUNDS: FOR THE MONTH ENDED:

March 31, 2015

EMPLOYEE/BENEFICIARY	CONTRIBUTIONS	PROCESSED	DEPARTMENT	TERMINATION
MCINTIRE, SUZANNE	1,565.11	3/20/15	BABH	2/20/15
HERNANDEZ, MICHAEL	3,801.79	3/20/15	BABH	2/23/15
KEMP, JENNIFER	12,678.50	3/23/15	BABH	11/12/14
REYNOLDS, DANIEL	1,160.22	3/25/15	GEN	2/21/15

TOTAL REFUNDS:

19,205.62

NEW RETIREE	CONTRIBUTIONS TRANSFERRED	RETIREMENT GROUP/ COUNTY DEPT	EFFECTIVE DATE	
TIGHE, KAREN	137,090.3	33 GENERAL	1/31/2015	
VAN PARIS, THOMAS	71,542.9	91 GENERAL	2/7/2015	
HENIKA, TIMOTHY	\$91,691.6	88 ROAD	2/12/2015	
MCMURPHY, STEPHANIE	\$55,929.7	'6 GENERAL	2/10/2015	
SPIKER, ANNE	\$29,045.1	15 BMCF - DEFERRED	3/29/2015	
WILLARD, DEBRA	\$41,317.3	30 BMCF	3/3/2015	
DECKER, ROBERT	\$83,164.1	IO DWS	3/20/2015	

DECEASED EMPLOYEE/	BENEFICIARY	REFUND/	DATE OF DEATH	DIVISION/
RETIREE		PENSION		DEPARTMENT

NO REFUNDS	ACCUMULATED	UNION	DATE	
EMPLOYEE NAME	CONTRIBUTIONS	GROUP	TERMINATED	
ZASTROW, ZACKARY	598.25	ROC AFSCME	2/16/2015	
REYNOLDS, DANIEL	4,714.45	CENT DISPATCH GELC	2/21/2015	
ELLIOTT, JENNIFER	6,988.35	BMC	2/18/2015	
BURCHAM, HEATHER	292.08	BMC	2/20/2015	
SCHMIDT, MEGAN	165.87	BMC	1/28/2015	
ONEIL, NATHAN	758.65	GEN CENT DISP GELC	3/6/2015	
ENGELHARDT, GARRETT	2,757.05	BMC	2/25/2015	
BLOOMFIELD, ALAYNA	239.09	BMC	3/5/2015	
VOTRUBA, ANTHONY	4,800.38	BMC	2/25/2015	
	21.314.17			

04/08/2015 09:27 RMarsters

BAY COUNTY, MI YEAR-TO-DATE BUDGET REPORT

p glytdbud

FOR 2015 03							
	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	CESD
7310 RETIREMENT SYSTEM FUND							
73127400 RETIREMENT BOARD							
RA FUND BALANCE, NET AS	į.						
73127400 40001 FUND BALANCE 73127400 40003 FUND BALANCE-RESRVS 73127400 40004 NET ASSETS - RESERV	36,190 36,190 3,763,344	36,190 3,763,344				.00 36,190.00 3,763,344.00	% % & O O O
TOTAL FUND BALANCE, NET AS	3,799,534	3,799,534	.00	.00	. 00	3,799,534.00	. 0%
RJ LOCAL UNIT CONTRIBUT							
73127400 59401 ER CONTR-BEHAVE.HEA 73127400 59402 ER CONTR-MOSOULTO C 73127400 59403 ER CONTR-HEALTH FUN 73127400 59404 ER CONTR-ROAD COMMI 73127400 59406 ER CONTR-LIBRARY	-1,300,000 -13,000 -57,000 -520,000 -130,000	00000	00000	00700	00000	0,000.0 8,919.9 6,772.8 0,000.0	0010
59407 ER 59408 ER 59409 ER 59411 ER 59411 ER 59412 ER 59413 ER		ιιικώ μ	-104,261.19 -9,574.65 -8,805.06 -8,778.39 -524.44	1 294 93 1 3445 32 1 5445 32	, , , , , , , , , , , , , , , , , , ,	2211 17088811 2008444	47 1200 - 1800 -
59415 ER 59416 ER 59418 ER 59419 ER	-2,000 -2,000 -3,200 -3,200 -500	00 N	-427.84 -53.21 -677.47 76,053.19		00000	1,572 1,272 6,053.5 0,053.1	462000
	-3,100 -8,800 000	0000	0084	1400 140 100 100 100 100 100 100 100 100	00000	756.9 756.9 527.1 583.9	7.7.2
59499 ER 59501 EE	-580,000	-580,000			000		· · · · · · · · · · · · · · · · · · ·

73127400 67104 MISCELLANOUS REVENU 73127400 67600 REIMBURSEMENTS 73127400 67601 REIMBURSEMENT - IND	RR OTHER REVENUE	73127400 66400 INVESTMENT INTEREST 73127400 66500 GAIN ON SALE OF INV 73127400 66501 UNREALIZED GAIN ON 73127400 66502 GAIN ON FOREIGN CUR 73127400 66600 SECURITIES LENDING TOTAL INTEREST & RENTALS	RP INTEREST & RENTALS	TOTAL LOCAL UNIT CONTRIBUT	73127400 59502 BE CONTR-MOSQUITO C 73127400 59504 BE CONTR-HEALTH FUN 73127400 59506 BE CONTR-LIBRARY 73127400 59506 BE CONTR-JUBRARY 73127400 59509 BE CONTR-DWERAL FU 73127400 59509 BE CONTR-DWERAL FU 73127400 59510 BE CONTR-DWERAL FU 73127400 59511 BE CONTR-DIV ON AGI 73127400 59511 BE CONTR-HOMELAND S 73127400 59512 BE CONTR-HOMELAND S 73127400 59514 BE CONTR-HOMELAND S 73127400 59515 BE CONTR-HOMELAND S 73127400 59516 BE CONTR-HOME REHAB 73127400 59516 BE CONTR-SELF INSUR 73127400 59519 BE CONTR-SELF INSUR 73127400 59524 BE CONTR-FO.C. FUN 73127400 59530 BE CONTR-HOUSING FUN 73127400 59530 BE CONTR-HOUSING FUN 73127400 59530 BE CONTR-SHERIFF DE 73127400 59530 BE CONTR-SHERIFF DE	FOR 2015 03	04/08/2015 09:27 BAY RMarsters YEAR
000		-15,000,000 -15,000,000 -3,000,000 -40,000 -300,000		-5,738,760	-12,500 -130,000 -130,000 -75,000 -85,000 -62,000 -140,00	ORIGINAL APPROP	BAY COUNTY, MI YEAR-TO-DATE BUDGET
000		15,000,000 15,000,000 -3,000,000 -40,000 -300,000 23,340,000		-5,738,760	-130,000 -140,000 -140,000 -140,000 -140,000 -143,000 -14	REVISED	TREPORT
00				-152,012.33	-3,080.03 -14,388.52 10,216.36 -89.022 -106,717.80 -14,152.38 -8,805.06 -8,778.39 -524.45 -427.84 -677.47 49,237.81 -130.79 -343.10 -572.86 -1,216.08	YTD ACTUAL	
				68,600.62	-909.00 -4,680.71 10,216.36 -36,555.46 -4,819.01 -4,819.01 -3,341.72 -185.86 -15,341.72 -185.86 -15,341.72 -185.86 -15,341.72 -185.86 -15,341.72 -185.86 -15,341.72 -185.86 -1	MID ACTUAL	
		, , , , , , , , , , , , , , , , , , ,		.00		ENCUMBRANCES	
		-5,000,000.00 -15,000,000.00 -3,000,000.00 -40,000.00 -300,000.00		-5,586,747.67	-145,611.48 -393,282.20 -85,000.00 -85,000.00 -85,000.00 -85,000.00 -847,847.62 -34,214.61 -1,275.61 -1,275.61 -1,275.61 -1,275.81 -1,527.14 -1,527.14 -1,527.14 -1,527.14 -1,527.14	AVAILABLE BUDGET	
		 O OOOOO * *****		2.6%	-12222 2222 21 -7.0 -12222 2222 1.0 -12222 1.0 -12	USED	P 2 glytdbud

say County Michigan

04/08/2015 09:27 RMarsters

BAY COUNTY, MI YEAR-TO-DATE BUDGET REPORT

p glytdbud

FOR 2015 03 7.3127400 68900 TRADE-IN ALLOWANCE 7.3127400 69000 COMMISSION RECAPTUR	ORIGINAL APPROP	REVISED BUDGET	ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED .0%*
	-175,000	-175,000	.00	.00	. 00	-175,000.00	. 0%
27400 70300 27400 70500 27400 70501 27400 70600 27400 70600	, 15 , 23 , 23 , 23 , 23	, , , , , , , , , , , , , , , , , , ,	9,996.49 1,498.14 2,061.39 655.74	7 3 3 0 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		39,156.51 11,241.86 4,176.61 2,809.00 -655.74	20.3 33.0 20.0 20.0 24.0 20.0 20.0 20.0 20.0 20
71000 71200 71202 71203 71203	3,420 0 0	3,420 0 0 0	O (135.00 .000		,015.0	11.8
TOTAL WAGES & SALARIES XF FRINGES	74,360	74,360	14,616.76	4,946.57	. 00	59,743.24	19.7%
	4,097 12,989	4,097 12,989 0	983.57 3,247.02 .00	50ω σ	0000	13.4 41.9	0000
73127400 71632 EMPLOYER INCENTIVE 73127400 71700 LIFE INCURANCE 73127400 71800 RETIREMENT 73127400 71900 OTHER FRINGE BENEFI 73127400 72001 SIF ADMINISTRATION 73127400 72100 WORKERS' COMPENSATI 73127400 72500 SICK AND ACCIDENT I 73127400 72500 UNEMPLOYMENT COMPEN	4, 1131 4, 434 96 984 9717 2517	4,434 4,434 96 84 517 251	1,048.90 1,048.90 .00 21.34 110.81 63.94	10.80 371.72 .00 7.23 38.888 21.64		3,385.10 96.00 62.66 187.06	22 23 30 30 30 30 30 30 30 30 30 30 30 30 30
TOTAL FRINGES	22,702	22,702	5,500.78	1,864.14	.00	17,201.22	24.2%
73127400 72700 OFFICE SUPPLIES	2,000	2,000	732,93	416.33	.00	1,267.07	36.6%*

-53 XX	_A
1 (1)	
18600	371 :
	T] [
1.33%	
3.34	
17000	4.71.72
13375	
- 7	12 : : : :
13.0	2000
	H 1111 \$
	40.00
100	
76 2020	44.50.00
53,000,50	310000
12000	
13509	
1.55	488
\$100 A.M	13
3556	
1274	
	2.31.00
100000	
1000000	
FERR	i in in
25,200	
	200
1000	4 50,555
(CONT.)	
	2000
\$E00	111111111
(227/)	
HAIRS	1000
25550	2000329
2000	
The later	2001016
2527	A SECURITY
diam'r.	200
59.02	2 B
20000	412033
2027	
100000	200
2000	
200	
	2000
Fig.	
NIO.	Systematical Street
7	
7	
	1
1	1
	1
	3
	3
	1 200

04/08/2015 09:27 RMarsters

> SAY COUNTY, MI YEAR-TO-DATE BUDGET REPORT

P 4 glytdbud

XL OTHER SERVICES AND C 73127400 80100 PROFESSIONAL SERVICES 73127400 80200 CONTRACTUAL SERVICES 73127400 81200 MEDICAL SERVICES 73127400 81400 INVESTMENT/BANK SER 73127400 81900 CONSULTANTS 73127400 82900 FILING FEES 73127400 82900 FILING FEES 73127400 85200 FILING FEES 73127400 85200 FILING FEES 73127400 85200 FILING FEES 73127400 86500 CONFERENCE FEES & E 73127400 86500 CONFERENCE FEES & E 73127400 86500 CONFERENCE FEES & E 73127400 86500 STATE TRAVEL MILEAG 73127400 8000 PRINTING/PUBLISHING 73127400 9000 PRINTING/PUBLISHING 73127400 93700 HARD/SOFTWARE REPAIR 73127400 93700 HARD/SOFTWARE REPAIR 73127400 94601 EQUIPMENT RENTAL-CO 73127400 96000 EDUCATION AND TRAIN 73127400 9600 EDUCATION AND TRAIN 73127400 96200 LOSS ON DISPOSAL OF 73127400 96201 LOSS ON DISPOSAL OF 73127400 96201 CONTRIB REFUND-GENE 73127400 96401 CONTRIB REFUND-GENE 73127400 96403 CONTRIB REFUND-GENE 73127400 96403 CONTRIB REFUND-SHER	73127400 72702 BOOK SUPPLIES 73127400 72800 PRINTING AND BINDIN 73127400 72800 POSTAGE 73127400 73000 MAGAZINES AND PERIO 73127400 73301 COPIER / FAX SUPPLI 73127400 74200 FOOD SUPPLIES 73127400 74700 PHOTO & MICROFILM/F 73127400 75100 COMPUTER SUPPLIES 73127400 75100 COMPUTER SUPPLIES	FOR 2015 03
1,500,000 1,500,000 140,000 140,000 15,000 15,000 15,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 5,000 5,000 5,000	1,000 300 1,500 6,050	ORIGINAL APPROP
1,500,000 1,000 230,000 1,000 27,500 1,000 1,000 15,000 15,000 1,5	1,000 600 500 1,500 6,050	REVISED
55,747.33 .000.000 35,000.000 .000 .000 .000 240.000 .000 .000	92.21 92.21 .000 .000 .000	YTD ACTUAL
2,400.000 36,44 10000 2,440.000 2,600 36,444 1000 1000 1000	28.77 28.77 .00 .00 .00	MID ACTUAL
H H D D D D D D D D D D D D D D D D D D		ENCUMBRANCES
1,444,252.67 230,000.00 230,000.00 105,000.00 2500.00 14,7600.00 14,7600.00 14,838.16 14,883.16 14,883.00 1,000.00	1,000.00 207.79 600.00 1500.00 150.00 1,500.00	AVAILABLE BUDGET
**************************************	% %%%%%%%%%%%%%%%%%%%%%%%%%%%%%%%%%%%%	CESD

65

say County Michigan

-	Ā
Ma	~
H	
CQ.	œ
ct	`
O	N
ĸ	0
τά	\vdash
	iπ
	Ψ,
	_
	0
	φ
	••
	N
	~

BAY COUNTY, MI YEAR-TO-DATE BUDGET REPORT

, MI

P glytďbud

FOR 2015 03								
	original Approp	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	DESD	
73127400 96404 CONTRIB REFUND-MED 73127400 96405 CONTRIB REFUND-B.A. 73127400 96406 CONTRIB REFUND-D.W.	40,000 50,000 5,000	40,000 50,000 5,000	.00	00		,000	, e e e e 0000	
1 1 1 1 1 1 1	225, 22,000 1,000 000 000	1,000 000 000		, 	,,	P2000000000000000000000000000000000000	*********	
TOTAL OTHER SERVICES AND C	25,351,114	25,351,114	114,959.23	2,689.53	112.29	25,236,042.48	Ол «%	0
XQ CAPITAL OUTLAY	Table 1						, ,	(d
73127400 98001 COMPUTER SOFTWARE	0	0	.00	. 00	.00	.00	. 0%	
TOTAL CAPITAL OUTLAY	0	0	.00	.00	.00	.00	. 0%	
TOTAL RETIREMENT BOARD	0	0	-16,110.42	78,545.96	112.29	15,998.13	100.0%	
TOTAL RETIREMENT SYSTEM FUND	0	0	-16,110.42	78,545.96	112.29	15,998.13	100.0%	
TOTAL REVENUES	-25,454,226 25,454,226	-25,454,226 25,454,226	-152,012.33 135,901.91	68,600.62 9,945.34	112.29	-25,302,213.67 25,318,211.80		
GRAND TOTAL	0	0	-16,110.42	78,545.96	112.29	15,998.13	100.0%	
	** END OF REPORT	PORT - Generated	ted by Rebecca Marsters	Marsters **				

REPORT OPTIONS

Page

Break

Object
Project
Rollup code
Account type
Account status Print Full or Short description: F
Print MTD Version: Y
Print Revenues-Version headings: N
Format type: 1
Print revenue budgets as zero: N
Include Fund Balance: N
Include requisition amount: N
Multiyear view: D Field Name Sequence Sequence Sequence Report title:
YEAR-TO-DATE BUDGET REPORT Find Criteria ne Field Value Field 1 9 10 0 73127400

> Year/Period: 2015/3
> Print revenue as credit: Y
> Print totals only: N
> Suppress zero bal accts: N
> Print full GL account: N
> Double space: N
> Roll projects to object: N Carry forward code: 1
> Print journal detail: N
> From Yr/Per: 2014/ 7
> To Yr/Per: 2014/ 7
> Include budget entries: Y
> Incl encumb/liq entries: Y
> Sort by JE # or PO #: J
> Detail format option: 1

> > P 6 glytdbud

BCERS

Invoices Approved: March

Invoice Date : Vendor : : : : : : : : : : : : : : : : : : :	An	iount-
3/6/2015 MacKay Shields	\$	24,091.18
3/3/2015 TAB Products	\$	345.36

Description

Q1 2015 money manager fee Labels for retiree/active files

Rebecca Marsters

From:

Carrie Gabel < CGabel@loomissayles.com> on behalf of Todd Needham

<TNeedham@loomissayles.com>

Sent:

Friday, March 06, 2015 9:35 AM

To:

Rebecca Marsters

Subject:

Notice from Loomis Sayles

After 20 years as Chairman of the Board and Chief Executive Officer (CEO) of Loomis, Sayles & Company, Robert J. Blanding has decided to transition his CEO responsibilities to Kevin Charleston, President, effective May 1, 2015. Bob Blanding will retain the Chairman position and actively participate in the strategic direction of the organization.

"This is the right time to transfer my day-to-day responsibilities as CEO," said Bob Blanding. "I'm proud of the work of our management committee and tremendously confident about its ability to continue delivering the quality of services that our clients have come to expect."

Bob became Chairman and CEO in April 1995 after joining Loomis Sayles in 1977. During this time, he has transformed the organization structurally and significantly extended its global reach. Bob oversaw an increase in assets under management from \$38 billion (in April 1995) to \$240 billion today.

"It has been a privilege," said Dan Fuss, Portfolio Manager and Vice Chairman, "to work in partnership with Bob to meet our goal -- superior investment results for our clients -- while providing a vibrant, supportive environment for our employees. I am pleased that we will continue to benefit from Bob's guidance as Chairman."

Dan also expressed his full confidence in the leadership of Kevin Charleston and Jae Park, Chief Investment Officer (CIO) who oversees all of investment management. "Having partnered with Kevin, Jae and each individual on our management committee for over a decade (and some for many more), I have every confidence in our ability to work collaboratively for the future growth and success of Loomis Sayles."

Jae Park joined Loomis Sayles in 2002 from IBM where he was Director, fixed income investments. Kevin Charleston joined Loomis Sayles in 2000 as Chief Financial Officer and was named President in April 2014.

"I am honored to assume my new role. Bob Blanding has set an outstanding example for me," said Kevin Charleston. "Our definition of success remains the same - the achievement of consistently strong investment results for our clients. As CEO, I will continue to partner closely with Bob, Dan, Jae and the rest of the leadership team to deliver those results."

Should you have any questions, please do not hesitate to contact me.

Best, Todd

Todd A. Needham, CFA
Vice President, Client Portfolio Manager
Loomis, Sayles & Company

BAY COUNTY RETIREMENT BOARD 4/14/15 RESOLUTION

B١	/-
u	

BAY COUNTY RETIREMENT BOARD (4/14/15)

WHEREAS,

The Bay County Department of Water and Sewer (DWS) participates in the Bay County Employees' Retirement System (BCERS). The DWS has negotiated with the UWUA Local #546 and mutually agreed to changes for newly hired employees to limit the

purchase of other governmental service time; Therefore, Be It

RESOLVED

That the Bay County Employees' Retirement System Board of Trustees receive the

attached memo and Supplemental Actuarial Analysis.

STEVE GRAY, CHAIR AND BOARD

RESOLUTION AMENDMENT		LEMI	ENT	AL ACTUARIAL AN	ALYSIS	S DW	S R	ETIREMENT ORDI	NANC	Έ	
MOVED BY TRI	JSTEE _										
SUPPORTED B	Y TRUST	EE_								_	
TRUSTEE	Υ	N	E	TRUSTEE	Y	N	E	TRUSTEE	Υ	N	E
Steve Gray				Matthew Pett				Thomas Herek			
Richard Brzezinski				Jon Morse				Richard Gromaski			
Kim Coonan				Thomas Starkweather				Kristal Goetz			
	Adopte	ed		Nays Exc Nays Exc Defeated W	/ithdrav	vn					
•	Amend	led		Corrected R	eferred	,					

Bay County Department of Water And Sewer

BOARD OF ROAD COMMISSIONERS:

RICHARD S. GROMASKI Chairman

EDWARD L. RIVET Vice Chairman

MICHAEL G. RIVARD Commissioner

3933 PATTERSON ROAD, BAY CITY, MICHIGAN 48706-1993 TELEPHONE: (989) 684-3883 • FAX: (989) 684-5510 • TTY: (800) 649-3777 www.baycodws.org THOMAS W. PAIGE, DIRECTOR

JAMES C. LILLO, P.E. **ENGINEER-MANAGER**

2600 E. BEAVER ROAD KAWKAWLIN, MICHIGAN 48631

To:

From:

Tom Paige, Director, Bay County Department of Water and Sewer Spril 9, 2015

Date:

Re:

Retirement Ordinance Change- DWS

Background:

The Bay County Department of Water and Sewer (DWS) participates in the Bay County Employees' Retirement System (BCERS). The DWS has negotiated with UWUA Local #546 and mutually agreed to changes for newly hired employees to limit the purchase of other governmental service time.

The DWS is respectfully requesting the following change for DWS divisions (28 & 29) in the Retirement Ordinance.

- 1. The maximum allowable amount of other governmental service time to be purchased by an employee is limited to ten (10) years; and
- 2. New hires will be ineligible for the purchase of other governmental service time.

The Board of County Road Commissioners, County of Bay, is on record supporting the requested limitation on the purchase of other governmental service time. This change includes all DWS employees to include Water and Sewer UWUA Local #546 Group employees, and Water and Sewer General Group non-represented employees.

A Supplemental Actuarial Analysis is being prepared by Gabriel Roeder Smith & Company as a required step toward implementation of the requested Retirement Ordinance change. It is expected that the Supplemental Actuarial Analysis will be available to be received by the Bay County Retirement System Board of Trustees at the Board's April 14, 2015 meeting.

Rational for the change includes the following:

Significant impact to DWS funding level and contribution rate. A number of employees in the past have purchased other governmental service time, with one individual having purchased over twenty years in 2008. Examination of such purchases indicate that the

employee's return can be very favorable on these transactions with the retirement system supporting a significant portion of the cost. The DWS' funding level has decreased from 118% on 12/31/07, to 77% on 12/31/13. The DWS' contribution rate over the same period has increased from 0% to over 15% of payroll.

- Small group volatility. The two DWS divisions combined are relatively small with only 41 current employees and 33 retirees. Changes and/or experience deviations from actuarial assumptions have a significant impact on the DWS' small group as evidenced by the actuarial assumption changes adopted with the 12/31/12 Actuarial Valuation. Most divisions in the County were positively affected by these changes, however the DWS funding was negatively impacted.
- <u>Licensing requirements</u>. Many DWS new hires have previous governmental service due to licensing requirements for positions at the Wastewater Treatment Plant, the Water Distribution Department, and the new Water Treatment Plant. These licenses are mandated by the State of Michigan and require municipal experience to obtain.
- Cost Control. The DWS is funded solely through customer water and sewer rates. The DWS strives to maintain costs at the Wastewater Plant, and now the new Bay Area Water Treatment Plant, at an acceptable level to maintain stable water and sewer rates for our customers.
- Maintain promises. Over the past number of labor agreements, the DWS and UWUA Local #546 have agreed on changes for new hires in order to keep promises made to current employees and retirees. These gradual changes have provided stability to the workforce and the customer rate payers we serve each and every day.
- Staffing at the new Bay Area Water Treatment Plant. Initial staffing at the Bay Area WTP is budgeted at 11 full time positions. Eight of these positions require the employee to hold or obtain a State of Michigan Certified Drinking Water License. It is anticipated that many of the eight positions requiring a license will be filled with an individual that currently retains a license and is employed at a municipal facility.

To summarize, the DWS has negotiated the requested change with UWUA Local #546 and have mutually agreed to limit the purchase of other governmental service time. Please do not hesitate to contact me with any questions or concerns. Thank you for your consideration and attention to this important matter.

Request:

That the Bay County Employees' Retirement System Board of Trustees receive the Supplemental Actuarial Analysis as prepared by Gabriel Roeder Smith & Company.

Bay County Employees' Retirement System Department of Water and Sewer Supplemental Actuarial Valuation

Confidential

To:

Mr. Tom Paige, Director

Bay County Department of Water and Sewer

Shawna Walraven, Attorney

Bay County Department of Corporation Counsel

FROM:

James D. Anderson, FSA, EA, MAAA and Shana M. Neeson, ASA, MAAA

Gabriel, Roeder, Smith & Company

SUBJECT:

Supplemental Valuation for the Department of Water and Sewer

DATE:

April 13, 2015

This report contains an actuarial valuation of proposed post-retirement changes in benefits for the Department of Water and Sewer of the Bay County Employees' Retirement System. The actuaries issuing this report are independent of the plan sponsor. James D. Anderson and Shana M. Neeson are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. This report may be provided to parties other than the System only in its entirety and only with permission of the System.

The date of the valuation was December 31, 2013. Supplemental valuations do not predict the result of future actuarial valuations. Rather, supplemental valuations give an indication of the probable long-term cost of the benefit change only without comment on the complete end result of the future valuations.

Except where indicated, the member data, actuarial assumptions and methods were consistent with those which were used in the December 31, 2013 actuarial valuation of the Retirement System. In particular:

- The assumed rate of interest was 7.50%;
- The valuation method was the entry-age actuarial cost method; and
- Base wage inflation was assumed to be 3.50% per year.

This report does not reflect any changes in investment experience, which may have occurred since the December 31, 2013 valuation.

Bay County Employees' Retirement System Department of Water and Sewer Supplemental Actuarial Valuation as of December 31, 2013

Data

A brief summary of the active data used in this supplemental valuation is presented below:

<u>Current Actives:</u> There are no current actives with more than ten (10) years of prior other governmental service.

<u>Future Actives:</u> The demographic data for the sample future members included in the valuation was provided by the Department of Water and Sewer, and is displayed below:

			Prior Other	
		Age	Governmental	Starting
Position	Gender	(in yrs.)	Service (in yrs.)	Payroll
Operations Supervisor	Male	32	9	\$62,254.40
Operations Specialist (1)	Male	45	20	42,182.40
Operations Specialist (2)	Male	50	15	42,182.40
Operations Specialist (3)	Male	40	10	42,182.40
Operations Specialist (4)	Male	40	10	42,182.40
Superintendent	Male	45	15	72,030.00
Maintenance Supervisor	Male	45	10	62,254.40

Bay County Employees' Retirement System Department of Water and Sewer Supplemental Actuarial Valuation as of December 31, 2013

Proposal: Limit Purchase of Other Governmental Service

Current Provisions:

No limit to the amount of other governmental service time which can be purchased by an employee. The cost to an employee to purchase other governmental service is calculated by Bay County as follows:

The applicable wages for each year being purchased x (the Employer contribution requirement for that year + the Employee contribution requirement for that year) x the interest adjustment factor, summed over each year of purchase

Proposed Provisions:

- (1) The maximum allowable amount of other governmental service time to be purchased by an existing employee is limited to ten (10) years.
- (2) New hires will not be eligible to purchase any other governmental service time.

ACTUARIAL STATEMENT OF CHANGES IN PRESENT VALUE OF FUTURE BENEFITS

Proposed Provision (1):

Per discussions with the Department of Water and Sewer, there are no current actives with more than ten (10) years of prior other governmental service; as a result, the change in the Present Value of Future Benefits for Proposed Provision (1) is \$0.

Proposed Provision (2):

	Current Benefits	Proposed Benefits
Present Value of Future Benefits (PVFB) Change in PVFB	\$1,100,000	\$400,000 \$(700,000)

The change indicated in Proposed Provision (2), for future actives, has no effect on the current benefit obligation or current employer contributions for the active members currently covered under the Department of Water and Sewer of the Bay County Employees' Retirement System. The potential savings would be realized over time as new members are hired and would be offset by any employee contributions that would have been made. For example, if each of the prospective new hires were to pay 11.20% (the Department of Water and Sewer total normal cost % as of December 31, 2013) for each year of service, the net reduction in the PVFB would be \$190,000, rather than \$700,000.

Bay County Employees' Retirement System Department of Water and Sewer Supplemental Actuarial Valuation as of December 31, 2013

Comments

Comment 1: The calculations are based upon assumptions regarding future events, which may or may not materialize. They are also based upon present and proposed plan provisions that are outlined in the report. If you have reason to believe that the assumptions that were used are unreasonable, that the plan provisions are incorrectly described, that important plan provisions relevant to this proposal are not described, or that conditions have changed since the calculations were made, you should contact the authors of this report prior to relying on information in the report.

Comment 2: If you have reason to believe that the information provided in this report is inaccurate, or is in any way incomplete, or if you need further information in order to make an informed decision on the subject matter of this report, please contact the authors of the report prior to making such decision.

Comment 3: No statement in this report is intended to be interpreted as a recommendation in favor of the changes, or in opposition to them. This report should not be relied on for any purpose other than the purpose described in the primary communication. Determinations of the financial results associated with the benefits described in this report in a manner other than the intended purpose may produce significantly different results.

Comment 4: This report is intended to describe the potential financial effect of the proposed plan change on the Retirement System. Except as otherwise noted, potential effects on other benefit plans were not considered.

Comment 5: In the event that more than one plan change is being considered, it is very important to remember that the results of separate actuarial valuations cannot generally be added together to produce a correct estimate of the combined effect of all of the changes. The total can be considerably different from the sum of the parts due to the interaction of various plan provisions with each other, and with the assumptions that must be used.

Comment 6: A review of the proposed plan changes for compliance with federal, state, or local law or regulations of the Internal Revenue Service, or any other regulatory body was outside the scope of this report and has not been performed by the actuary.

Comment 7: Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the Plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuary's assignment, the actuary did not perform an analysis of the potential range of such future measurements.

Bay County Employees' Retirement System Department of Water and Sewer Supplemental Actuarial Valuation as of December 31, 2013 Comments (Concluded)

Comment 8: The demographic data for the sample future members included in the valuation was provided by the Department of Water and Sewer, including gender, age, prior other governmental service, and starting payroll.

Comment 9: Under the current provisions, it was assumed that future hires would purchase service equivalent to their entire amount of prior other governmental service. Under the proposed provisions, it was assumed that future hires would not be eligible to purchase any of their prior other governmental service.

Comment 10: The ability to purchase military and prior County service was assumed to be unchanged as a result of the proposal.

Comment 11: It was assumed that purchased service time can be used for both the purpose of meeting County retirement eligibility conditions and determining pension benefit amounts upon retirement.

Comment 12: As reported by the Department of Water and Sewer, no current active employees were eligible to purchase more than ten (10) years of prior other governmental service time.

Comment 13: For purposes of this supplemental report, the valuation date was December 31, 2013. Proposed Provision (2) was assumed to apply to the Department of Water and Sewer members hired on or after December 31, 2013.

BAY COUNTY RETIREMENT BOARD 4/14/15 RESOLUTION

BY:	BAY	COL	JNT	TY F	RETIREMENT BOARD	(4/1	4/15)					
WHEREAS, WHEREAS, WHEREAS, WHEREAS, WHEREAS,	old a The 6 Minu There Bay 6 syste That	nd equates had contained to the containe	out iipn are ave anty at a	datenent e dif e be 's l' a rea oard	t used to record boa ed t does not always fu ficult to transcribe to en many changes a T Director has resea asonable cost d approve the purcha ed pricing options	nction due nd im arche	n pro poo prov d ne	perl r qu reme w te	y ality of the recordi ents in technology chnologies and se	ings electe	ed a	new
					STEVE GRA AND BO							
RECORD AND	AUTC	MA	TE	ВО	ARD MEETING MINU	TES						
MOVED BY TRU	JSTEE _									•		
SUPPORTED BY	Y TRUS	TE	E									
TRUSTEE		Υ	N	Ε	TRUSTEE	Υ	N	E	TRUSTEE	Υ	N	Е
Steve Gray					Matthew Pett				Thomas Herek			
Richard Brzezinski					Jon Morse				Richard Gromaski			
Kim Coonan					Thomas Starkweather				Kristal Goetz			
Vote Totals: Roll Call: Voice:	Yeas Yeas				Nays Excus	sed _ sed _	······································					
Disposition:	Adop Amei				Defeated With Corrected Refe	ndraw erred						

Bay County Information Systems

Record and Automate Board Meeting Minutes

Option 1

Purchase

Nuance Dragon NaturallySpeaking Professional with Maintenance & Support:

\$470 (per licensed computer)

Digital Recorder with External Microphone Input:

\$800 (50% with BOC)

Total:

\$870

Notes: Dragon NaturallySpeaking license can be assigned to the transcriptionist who will have his/her own trained Dragon profile doing the transcription. This way the transcriptionist will be able to listen to the multiple speaker recorded Board meeting, and be able to hit pause and talk back into Dragon what was said in the recording. This eliminates the need to type everything out and still get up to 99% accuracy.

Option 2

Purchase

Nuance Dragon NaturallySpeaking Professional with Maintenance & Support:

\$470 (per licensed computer)

Digital Recorder with External Microphone Input:

\$800 (50% with BOC)

Nuance Server SDK for Mass Transcriptions:

\$10,000 (50% with BOC)

Total:

\$5870

Notes: Dragon Nuance Server will provide up to 70% accuracy with proper training. The transcriptionist will need to listen and verify the recording and correct any transcribed meetings.

Recommendation by ISD

It is the recommendation by ISD to go with Option 1 at this time. It will provide the much needed replacement of the equipment as well allowing the user to learn new software. Based on the accuracy of the server based software, transcriptionists will still need to listen and proof the recordings. If a mass transcription license is deemed necessary, it can be provided as a cost in the 2016 budget.